The Public Image of Big Business in America, 1880-1940
Galambos, Louis

Published by Johns Hopkins University Press

Galambos, Louis.


For additional information about this book
https://muse.jhu.edu/book/68460

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=2411623
In 1893 a panic in the stock market sent the prices of industrial and railroad securities plummeting, and the nationwide depression that followed the crash abruptly detoured America's long climb toward a more prosperous tomorrow. Some contemporary observers identified Wall Street as the source of their misfortune. They linked the crash in market values with financial chicanery and that, in turn, with the widespread unemployment, lower earnings, and declining output that troubled the nation. To others, the depression was the inevitable product of laws as immutable as the biblical prophecy that lean years would follow fat or the socialist prediction that industrial capitalism would perforce encounter deepening economic crises. Less holistic commentators blamed particular government policies, the tariff and monetary programs especially, for the nationwide depression.¹

Whatever their analyses of its causes, most Americans were touched in some way by the depression. Economic distress cut across class and regional lines. Many farmers were pinched between the fixed costs of their mortgages and the falling prices of their crops. Even those laborers with the greatest skills found their wages reduced and their plants running part time, if they ran at all. An abrupt decline in railroad construction hurt engineers as well as laborers, and the clergy could worry about the falling contributions for church work if they chose not to be disturbed about the decline in their personal incomes.² Economic distress multiplied the mounting strains of social change. Whether trying to find progress and security in the move from the country to the city, attempting to preserve the family farm, or seeking to establish a profession, build a permanent union, or protect a body of theology from the inroads of science, Americans in the mid-nineties began to sense that they might fail. Instead of betterment and stability, they were faced with economic collapse, an air of panic, and the clear signs of heightened conflict throughout the nation.

The political system both reflected and contributed to the growing sense of crisis. Agrarian discontent spawned a third party movement that reached formidable proportions in the mid-nineties. The populist revolt also gave America a new political leader, William Jennings Bryan, who dramatized the division between those who were wealthy and those who were poor, between those who loaned money and those who borrowed it, between those...
who wielded power and those who felt powerless. Bryan's unsuccessful campaign in 1896 contributed to a major realignment in party strength, the first such change since the 1850s.\(^3\) Under the banner of William McKinley, the Republican party marched into the twentieth century securely established as the majority party in national politics. In the polity, as in the economy and, for that matter, in society as a whole, the nineties was a decade of dramatic transition, and the effects of these changes could be seen in the public image of the large corporation.

II. The depression forced the Congregational clergyman to reconsider the merits of large enterprise and the quality of the men who controlled the country's great firms. While the minister's connections with big business were more remote than those of the laborer or the engineer, the clergyman had adequate evidence on the trust question. His church paper frequently mentioned big business, most often when commenting on a wide variety of meetings and conventions of both church and secular organizations (see "Leading sources" in table 4-1). The organizations involved ranged from the International Railway Congress to the University of Michigan, from the Maine to the Northern Pacific Congregational conferences. Even the convention in 1900 of the American Economic Association prompted consideration of the new style of industrial organization which had "made competition a thing of the past" in many branches of the economy.\(^4\) The depressed condition of that economy frequently brought the trust issue to mind in the mid-nineties, and throughout the period 1893-1901 other publications—including books and articles—often stirred up controversy about the concentration movement. The Congregationalist gave the minister a window opening on the upper reaches of intellectual life in America. Here he could share the ideas emanating from more sophisticated thinkers, from those intellectuals who wrote books on Social Facts and Fancies or on Industrial Freedom.\(^5\) In this sense the scope of his thinking was relatively broad, and his ideas were in part shaped by concepts flowing from the kind of intellectual elite emphasized in the progressive view of modern American history.\(^6\)

In the mid-nineties the ideas the minister received from these and other sources increased the tension between his class values and his moderate liberal ideology, between his support on the one hand for material achievement and his desire on the other for social harmony. He was angered to hear of the bankruptcies of major railroad systems and industrial combines, problems which "sadly impaired our national credit at home and abroad." All too often the financial plight of these companies could be traced to "individual dishonesty" on the part of management.\(^7\) Business leaders grossly inflated the capitalization of their firms and then found it difficult to
pay dividends on their watered stock.\textsuperscript{8} The result was a “crash” bringing down the “financial magnates” but injuring innocent parties as well.\textsuperscript{9} Corporate dishonesty spilled over from the marketplace into government; many of the moguls who faced bankruptcy in the depression were the same men who had built their business empires “by superior wiles and by the dexterous use of courts and bribed legislatures and in disregard of law.”\textsuperscript{10}

This sort of businessman showed no more respect for his employees than he did for the law, and the clergyman was vexed. The depression precipitated a series of bitter struggles between labor and management. The Pullman strike of 1894 was most upsetting, and disturbing conflicts involving the street railways occurred in Brooklyn and Philadelphia. The minister looked with dismay on the disorder accompanying strikes and lockouts. Big business, he felt, should not hire armies of mercenaries to defend its property; nor should giant transportation companies allow controversies with labor to interfere with the service they owed to the public. In the clergyman’s highly personalized view of labor-management strife, the central problem was one of individual morality: when the managers and owners of large corporations failed to recognize their responsibilities to their workers and the public, the result was social disharmony and often dangerous conflict.

Events such as these rubbed against the clergy’s values. The result was a cycle of anticorporate sentiment (figure 4–1). As neutral imagery gave way, the percentage of unfavorable items in the Congregationalist climbed higher during the depression than it had ever been before. The leading symbol of big business in the years after 1893 was the Pullman Company, and labor relations became for the first time one of the salient aspects of the large corporation (table 4–1). While the clergy’s attitudes were not especially unstable (see Appendix) during the nineties, subtle qualitative and quantitative changes took place as economic troubles fueled a new sense of concern about “corporation greed” and “corporate abuses of monopoly.”\textsuperscript{11}

In the struggle between liberal and class values, however, the ultimate victor in the nineties was social class rather than the social gospel. While the Congregational minister was increasingly critical of big business, he remained throughout a vocal defender of the rights of property, including the property of big business. During the violent Pullman strike, for instance, he seldom doubted that the primary power to direct the nation’s railroads should remain in the hands of private owners and managers; he applauded when “federal strength” was used to break the strike: the “highest welfare of the public,” he concluded, “is dependent upon the continuous flow of life through the arteries of trade—the railroads.”\textsuperscript{12} While often sympathetic to the employees of such giant corporations as the Pullman Company, he remained suspicious about “the interference of labor associations,” and in retrospect he decided that “the country feels that those great strikes [of 1894]
FIGURE 4-1. The Congregational clergy's evaluation of big business, 1880–1901. The annual percentages represent the proportion of items in Congregationalist reflecting each attitude. For an explanation of my methodology, see chapter 2.

were not altogether justified, and is satisfied with the manner of suppressing the accompanying lawlessness.”

All the clergyman demanded from management was a proper concern for the welfare of corporate employees, and he saw little reason to be critical when concern blended into social control. After all, he was himself interested in eliminating such problems as excessive drinking on the part of the lower classes and he recognized a similar impulse in the tightly regulated “model city” that George M. Pullman had provided for his workers: “Strange as it may be, labor as such does not seem to take kindly to Mr. Pullman’s model city. It matters not that the streets are always clean, that they are well lighted, that the lawns are fresh and closely shaved, that sanitary arrangements are perfect, that an elegant library is at the disposal of every laborer at a nominal price. The fact that there are no saloons within the corporate limits of the place—that every one living there must submit to certain
conditions promotive of the general good—has by many been complained of from the first as an infringement on personal liberty. . . . There has been a sort of feeling that Pullman ought to furnish all the advantages of a model city without requiring anything of the laborer in return." Power exercised from above, by the social class with which the clergyman identified, was acceptable when the goal was a modern city on a hill, a town free of trash and the temptations of alcohol.

### TABLE 4-1. The Congregational clergy's image of big business, 1893-1901

<table>
<thead>
<tr>
<th>Aspects of big business mentioned&lt;sup&gt;a&lt;/sup&gt;</th>
<th>1893-1896</th>
<th>1897-1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>High year</td>
<td>Low year</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>78%</td>
</tr>
<tr>
<td>Political</td>
<td>31</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>21</td>
<td>8</td>
</tr>
<tr>
<td>Social</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>0</td>
</tr>
</tbody>
</table>

| Leading characteristics of big business     | 1) Management or ownership | 1) Management or ownership |
|                                            | 2) Labor relations          | 2) Financial practices     |
|                                            | 3) Financial practices      | 3) Products or services     |

| Leading industries mentioned                | 1) Railroad transportation (40)<sup>c</sup> | 1) Railroad transportation (40) |
|                                            | 2) Food processing (20); Local passenger transportation (41) | 2) Primary metals (33); Local passenger transportation (41) |

| Leading firms mentioned<sup>d</sup>         | 1) Pullman |
|                                            | 2) Boston & Albany Railroad |
|                                            | 3) Three railroads tied |

| Leading sources of items on big business<sup>e</sup> | 1) Meetings and conventions |
|                                                     | 2) Economic conditions      |
|                                                     | 3) Other publications       |

SOURCE: *Congregationalist*. For an explanation of my methodology, see chapter 2. Similar data for the previous period are in table 3-2.

NOTE: If multiple entries follow one number, the categories were tied.

<sup>a</sup>These figures show what percentage of the articles mentioned each aspect; the columns can total more than 100% because a single article could mention one, two, or all three.

<sup>b</sup>Mean of the annual percentages.

<sup>c</sup>The number appearing after each industry indicates its two-digit group in the *Standard Industrial Classification Manual*.

<sup>d</sup>For 1880-92, these were: the Chicago, Burlington and Quincy Railroad; the New York Central Railroad; and the Illinois Central Railroad, which tied with the Union Pacific.

<sup>e</sup>For 1880-92, these were: Meetings and conventions; and Action taken by big business, which tied with Action taken by labor.

CRISIS, 1893-1901
Class concepts can be seen in other aspects of the Congregational minister’s shifting image of the large firm. While he was frequently critical of corporate performance in the area of labor relations, in the years 1893–96 he actually found more opportunities to complain about financial practices influencing thousands of owners of stocks and bonds than he did about labor policies affecting millions of workers. And while he addressed himself to these problems, he also found more and more that he liked about the modern style of industrial firm. In the nineties the percentage of favorable items in Congregationalist increased sharply. At no time, in fact, did negative evaluations exceed favorable comments. The Protestant minister continued, throughout the depression, to respect the administrative skills of the men who ran large companies, using them as a measuring rod for the accomplishments of others. He observed: “the management of the business affairs of a great city like Boston involves plans and expenditures which require abilities in administration equal to the demands of the very largest corporations in the country.” Material achievement continued to win his applause. He felt that national economic progress was to a considerable extent dependent upon “the vast railroad industry” and he approved of corporate mergers when they appeared to embody a plan for local and regional economic development.

These positive themes in the clergy’s image of the corporation became ever stronger as the economy pulled out of the depression in the late nineties. The financial affairs of big business—recently a sore point with the minister—invited strong praise in the years 1897–1901. The increasing value of railroad securities seemed to put the entire stock market in a bullish mood; while the Congregational minister was skeptical about “the wild desire of the public to speculate” in these shares, he now acknowledged that speculation was the price the country had to pay for “vast enterprises” and for the “great changes which cannot be made without great risks.” Although lurking in Wall Street were “men who exploit the public,” he used these villains (much as an attractive person sometimes uses an ugly friend) to underscore the sound management of such companies as the Boston and Albany and Vanderbilt’s New York Central.

To this point at least the social gospel had not penetrated very deeply. Traces of liberal ideology could still be found in the prosperous years 1900 and 1901; wedged in the midst of a series of eulogies prompted by the philanthropy of J. P. Morgan, G. F. Swift and other assorted titans, there were some harsh words about the men who sought “to aggrandize themselves through dishonesty shielded under corporate, syndicated power.” By the turn of the century, however, criticism in this vein was a distinctly minor theme. The Congregational minister was optimistic about the new age of large-scale organizations; his sense of social class and pleasure with material progress overwhelmed his liberal ideology.
In the clergyman's view, good businessmen knew how to make money and also how to spend it. The philanthropy of John D. Rockefeller and Andrew Carnegie drew frequent praise from the Congregational minister, and the memory of Homestead, where Carnegie's men had crushed the union, was washed from the pastorly mind by a flood of Carnegie libraries.\(^{22}\) As the *Congregationalist* wryly observed: “College presidents warn their outgoing students in Baccalaureate addresses against the dangers of commercialism and the perils of devoting themselves to the pursuit of wealth, and in the same addresses they announce with pride large gifts from wealthy men to their institutions. Harvard, Yale, Chicago and other universities rejoice in gifts reaching into the millions from Rockefeller, Morgan, [and] the Vanderbilts.” If the magnates had good motives and used their wealth properly, the church spokesman could see no danger “in developing the material resources of the country and amassing wealth” along the way.\(^{23}\)

While the Congregational church might itself benefit from acts of philanthropy, there is no evidence that direct economic interest explained the changes that took place in the clergyman’s attitude toward the trusts. Indeed, during the early years of the depression, when he was becoming more antagonistic toward big business, the Congregational minister actually experienced an increase in real income. In the mid-nineties prices dropped while his salary remained relatively stable.\(^{24}\) Later, as prosperity returned, the minister suffered a loss in purchasing power; but if he was concerned about his real income, he was not inclined to focus his anxiety on the concentration movement. He became ever more pleased with the “harmonious action” of big business.\(^{25}\) By 1901, when his real income stood at the lowest point it had reached in a decade, he rejoiced at the sight of business leaders who displayed “a Christian conception of the mutual duties of laborer and capitalist.” He concluded that “the combinations of labor and of capital, which are so prominent a feature of the time, are signs of progress and not of decay.”\(^{26}\)

No longer, it would appear, was he worried about the small businessmen who were being squeezed out by trustification. By 1901 this theme—so important before the depression—had disappeared. In the midst of the greatest merger movement in American history, the Protestant clergyman looked on combination as a sign of “progress.” He was now less concerned about the loss of opportunity accompanying the transition to large-scale enterprise, and his dedication to individualism was qualified; he had begun, in fact, to “trade in” one of the values that had long been a central feature of his outlook and that of most of his fellow citizens. The nineties marked only the first hesitant and partial step toward a new, group-oriented perspective. But the transition was as important as it was incomplete. The sequences of depression and prosperity, of conflict followed by combination, seemed to have convinced the clergyman that, while sin was still an individual matter,
achievement was fated to be a corporate phenomenon in the twentieth century.

III. Equally significant changes took place in the outlook of the southern farmer during the nineties. Initially the depression appears to have unsettled agrarian attitudes, leaving the farmer almost as angry about the trust movement as he had been in 1890 (figure 4–2). It is impossible in this case to specify the effects of the depression with any precision because we do not have data on attitudes for the years 1893–95; but it seems likely that the continued decline in cotton prices in part explains the southern farmer’s increased hostility toward the “tyranny” of the trusts. The Sherman Act, he now felt, was a “dead letter” because the men charged with enforcing the law were conniving with the “trust octopus.” Nor had railroad regulation provided the farmer with any relief from oppressive rates; he condemned “Pierpont [sic] Morgan and his monster railroad trust” and, to make the problem more specific, he calculated that the railroads took “an average of $9,251.66 \frac{2}{3} per month out of the pockets of the farmers of Floyd county, Georgia.”

In this and similar ways, southern attitudes were much the same as they had been in the previous cycle of antitrust sentiment (which had peaked in 1890). There was in the cotton farmer’s outlook some evidence of a general sense of social disorganization, and his opinions were characterized by a high degree of disequilibrium (see Appendix). He continued to fear such distant and abstract enemies as the “great money syndicates” that sought to reduce the American people to “a nation of serfs.” He was still anxious about the collapse of the family farm. Some young people, he felt, were driven away from agriculture by hearing only the negative aspects of a calling which was in reality “the most natural, most healthful and one of the most honorable of all occupations.” He suggested that his peers would do well to “so present its bright side to our young people that they will not only be induced, but be anxious to stay upon the farm.” His repeated efforts to shore up the family farm by proclaiming the virtues of agriculture reflected considerable uneasiness on his part about the farmer’s status; he worried that the farmer did not count for enough, that agriculture was “considered a menial vocation by the masses of the people,” and that “there are men who think any ‘clod-hopper’ can be a farmer. Let them try it [he righteously proclaimed] and they will find that in farming, as in all business, there is a bottom as well as a top to the ladder.” Frequently he vented his emotions on the city, which he saw as the center of “savagery and shiftlessness.” In these regards the cotton farmer’s outlook appears to have remained much as it was before the depression and the 1896 climax of the populist movement.

Nonetheless, some important changes took place in the late nineties as his ideas about big business began to stabilize. For one thing, he was less
inclined than he had been before 1896 to mingle general fears about his family and his status with more specific concerns about monopoly. He was beginning to lose some of that millenary fervor that had led him to see reality divided into two warring camps and had allowed him to focus all of his varied anxieties on the visible, corporate enemy of country people. Rethinking his relationship to big business, he emphasized a range of problems which were directly and obviously associated with his economic interests. Increasingly, his attention centered on two specific issues: the large firm's products and services, and the prices these corporations charged their farm customers (table 4-2). He had of course mentioned these aspects of big business before, but they now became his major concerns and were to remain central features of his particular concept of the large firm for years to come. The pattern of southern farm thought which was emerging in the late nineties was a brand of interest-oriented equilibrium shorn of many of the symbols of social disorganization which had been evident in previous years.

The cotton farmer's new attitude—narrower and less open to calls for all-embracing class conflict—was reflected in the industries he associated with big business and with which he was most concerned. The railroad led the list (table 4-2), followed by food processing, chemicals, and the manufacture of nonelectrical machinery. The cotton farmer encountered these industries face to face in the marketplace when he shipped his products or bought supplies, when he sold the livestock that southerners were beginning to produce in greater quantities, and when he bought fertilizer and farm equipment. These industries had been on his mind before, as he had attacked the trusts or commented on the progress of the New South. But in the late nineties his attention centered on those industries that would occupy a crucial role in southern attitudes throughout the entire next generation. The cotton farmer's opinion of the corporation thus began to stabilize around a new set of norms. Even when the southern farmer criticized the trusts, the nature of his charges changed in ways which indicated that he was moving toward new concepts of his own role in society and his relationship to those major institutions (such as big business) having some influence on his life.

The painful defeat of agrarian reform in the election of 1896 contributed to this transition in thought. Once again it is necessary to acknowledge that the absence of data for the years 1893–95 handicaps analysis, but we can nevertheless find in the available figures the outlines of a long-run learning process partly related to populism. One aspect of that process was of course the simple experience of defeat, a negative sanction that "taught" the farmer to look somewhere other than politics for a solution to his problems. More important, to my mind, was the manner in which fusion and the Republican victory in 1896 disrupted agrarian organizations and thus weakened the influence of institutions that had for some years exerted a powerful influence on southern farm attitudes. Judging from both the information presented in the previous chapter and the figures offered here, the abstract
southern farmer with whom we are dealing was not a hardcore agrarian radical from beginning to end; he came to populism late, left it early, and even during the peak years of the farm movement he seems never to have been fully committed to the Farmers’ Alliance or to any other reform organization or ideology. Starting in the late eighties, however, organizations like the Alliance had exerted a growing influence on his thought, an influence which increased his antagonism toward big business by adding to the dictates of short-run economic and political self-interest a sense of general social chaos; the upheaval in his life, the farmer came to feel, could be traced to his enemies in business and government.

In the late nineties radical organizations were withering; their poor leadership and shaky finances, along with the nature of their strongest supporters, made these farm organizations inherently unstable and likely to decline even in the absence of a serious political setback. The defeat of Bryan
accelerated their collapse, suddenly depriving the more moderate farmer of institutions capable of focusing his anxieties on a few primary opponents. As he observed regretfully, “the Farmers Alliance and the Grange were genuine efforts to get the farmers together, but they have largely failed; their objects were good and they wrought some good results, but in spite of this they have waned.”35 As they did, they left behind a farmer with a less complex, less ambitious, and narrower outlook on his role in society and his relationship to big business; this outlook was a residue in the sense that it had existed in the years before 1893 when it had been subordinated to the themes accentuated by the more radical organizations. As the radical groups and their ideas “waned,” the southern farmer began to look to new kinds of organizations which would be “less liable to get into politics” and which would in the bargain be “less expensive and more instructive.”36

**TABLE 4-2. The southern farmer’s image of big business, 1896-1901**

<table>
<thead>
<tr>
<th>Aspects of big business mentioned</th>
<th>1896-1901</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>High year</td>
<td>Low year</td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>78%</td>
</tr>
<tr>
<td>Political</td>
<td>33</td>
<td>12</td>
</tr>
<tr>
<td>Social</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Leading characteristics of big business
1) Products or services
2) Prices
3) Existence or expansion

Leading industries mentioned
1) Railroad transportation (40)
2) Food processing (20); Chemicals (28)
3) Machinery—nonelectrical (35)

Leading firms mentioned
1) Central of Georgia Railroad
2) Southern Railroad
(These were the only companies mentioned more than once)

Leading sources of items on big business
1) Other publications
2) Letters to the editor
3) Meetings and conventions

SOURCE: *Southern Cultivator.* Lacking data from a southern farm journal for the years 1893-95, I combined the figures from 1896 with those for the following years. Similar data for the previous period are in table 3-3.

aThe top firm, 1879-92, was the Georgia Railroad; only four other companies were mentioned more than once, and they included two railroads (the Central and the East Tennessee, Virginia and Georgia), the Southern Express, and McCormick Harvesters.

bThe leading sources during the years 1879-92 were: Meetings and conventions; Other publications; and Letters to the editor.

**CRISIS, 1893-1901**

89
One sees the immediate effects of organizational change on the agrarian image of big business in the data on the leading sources of articles in *Southern Cultivator* (table 4–2). Before 1893, meetings and conventions had prompted more such discussions than any other single source (see note b, table 4–2); resolutions passed by the Farmers’ Alliance and meetings of the Grange had kept the farmer’s eyes focused on the trust question. These and a variety of lesser organizations (or to be more precise, bodies less well known to historians), ranging from the American Poultry Association to the East Tennessee Farmer’s Convention, had not allowed the cotton grower to forget that his economic and political fortunes, sometimes even his manhood and his family life, were in the hands of the “cormorants, trusts and combinations.”37 By the late nineties, some of these organizations had become less active, others had disbanded, and the farmer was taking less note of organized activity of any sort.

During these years other publications became the leading stimulant to discussions of big business, and here too there is evidence that the farmer’s outlook was narrowing. Both before and after 1893, the journals that *Southern Cultivator* drew upon for ideas and excerpts were most often farm papers like *National Farm and Fireside*, the *Farm Trade Journal*, and *Rural New York*. But in the years prior to the depression, the paper had also tapped a variety of nonfarm publications from the South and even the Northeast—the *New Orleans Picayune* and the *Atlanta Constitution* appeared alongside the *Boston Post* and the *New York Sun*. In the period 1896–1901, the array of papers which provided comments on big business became considerably narrower and the farmer’s purview more ingrown, more likely to depend upon another agrarian journal for information than upon an urban newspaper or a magazine with a national reputation.

As this new pattern of farm thought coalesced, the southern image of the corporation at first remained primarily negative. Not yet could the farmer open his billfold and find some visible assurance that he might survive. As recovery began in 1897 and 1898, cotton prices lagged behind the rest of the economy.38 Gross income (in constant dollars) from cotton and cottonseed was actually lower in 1898 than it had been in 1890 and 1891. In 1900, however, prices for the leading southern staple suddenly jumped from 6.6 cents a pound to 9.3 cents, and gross income in cotton farming was higher that year than it had been for the past two decades. During the following year, prices dipped slightly (to 8.1 cents), but farm income in the South remained far above the depths it had reached in the worst years of the depression.39

The southern farmer displaced some of the good feeling that higher income created onto the large corporation. Now he was particularly pleased with the products and services of the larger firms because, as he saw it, such corporations as the Swift Fertilizer Company were “reliable.”40 When you
ordered something from the "big firms," you could be certain you would get
what you wanted. While the farmer could still drum up some anger when
he thought about the fact that the trusts affected legislation and controlled
"too many Senators," he was now willing to concede that the economic
activities of the largest companies deserved more praise than condemnation
and that in reality there were some important functions—for instance,
opening "markets in foreign lands"—which only large combines could
perform. In both 1900 and 1901, in the midst of the great merger
movement, the level of favorable opinions toward large enterprise was high,
and the trend toward a more positive image of the corporation was to
continue in the years ahead. Southern farm attitudes had changed deci-
sively during this second cycle of the antitrust movement; a new equilibrium
emerged from a special blend of political, organizational, and above all,
economic changes—a series of developments which by 1901 had already
given the cotton farmer a narrower and more stable vision of his role in
America's corporate economy.

IV. The depression and the political struggles of the nineties were traumatic
experiences for the midwestern farmer. He confronted the corporation
firsthand and recognized that his economic fortunes were to a great extent
dependent upon the performance of the country's largest businesses. This
familiarity nourished a mounting anger at "unnatural monopolies," "rail-
road extortion," and "the encroachments of corporate power." Agrarian
attitudes were extremely unstable—far more so than they had been in the
eighties. By the measure we have adopted (M.D.), the degree of disequilib-
rium was greater in the nineties than it had been previously and was higher in
fact that it would be until the 1930s. Through the end of the decade the
midwestern farmer was unusually hostile toward big business (figure 4-3).
He found hardly any facets of business behavior which deserved a neutral
label, let alone a favorable opinion. He could not afford to be impartial
when he faced the "invisible empire" of "corporate wealth," an opponent
"more powerful than those who wear the crown and wield the sceptre; more
powerful than those who sit in presidential or gubernatorial chairs or who
occupy the seats in senates, congress or legislature." In the corn and hog
country, sentiments like these reached an all-time peak in the 1890s.

When a historian sees that farmers traced their troubles to an "invisible
empire" whose "power is felt rather than seen" and pictured their enemy as
about "to suck into its maw everything between the Mississippi River and
the Atlantic ocean north of the Ohio river," he can hardly help but conclude
that agrarian attitudes in that time and place were to some extent irra-
tional. Sprinkled throughout the farmer's discourse on the trust question
were the symbols of social crisis, accompanied by a new sense that the nation
was girding itself for an all-encompassing final conflict between the forces of good and the forces of evil. Now there was doubt whether even the hoeman, backbone of the nation, could “hold in leash the magnates of the invisible empire.” The farmer’s position was being weakened in part because his sons and daughters were catching “town fever” and deserting their happy rural homes. “The plague spot of American civilization,” he concluded, “is in the cities and one of the curses of railroad combinations is that by special rates they build up great cities.” Uneasy as he was about his family’s future and his status, the midwestern farmer was capable of projecting his anxieties (whatever their source) onto the “railroad combinations” and the “trust octopus.”

Under severe pressure, the farmer at times saw his entire social class and its moral standards threatened by combinations and by corporate
corruption. In the cities the middle class was disappearing as a result of a trust movement that left behind only the few rich and the many poor: "The only middle class we will have shortly outside of the farm is the army of employees whose wages will depend largely on the will of large corporations governed by a corporation conscience." The "few rich" of the "best society" were, in the farmer's eyes, an "aristocracy" posing a threat to "public morality" and corrupting officials with "social honors." By the farmer's standards, "the fellows that Christ drove out of the temple were saints" compared with trust organizers who built churches and endowed colleges with funds "sweated out of the laborer on one hand and filched out of the pocket of the consumer on the other." Even when the activities of the tycoons fell within the limits set by "the ordinary code of morals," they could not measure up to "that higher code which men in their hearts recognize." These social and class considerations multiplied the anxieties that more material considerations of political economy generated in the nineties.

One of our problems is estimating the relative importance of these sources of antitrust fervor: were midwestern farmers responding primarily to general changes in their social situation, changes that in fact had only a tenuous relationship to big business, or were they reacting for the most part to perceived threats to their immediate political and economic interests? Illustrative evidence can be produced to support either side: remarks reflecting status anxiety (concern, for example, that the farmer was portrayed as "uncouth, ill-dressed, ill-mannered") can be paired with notably precise attacks on railroad rate discrimination, corporate political power, or the implications of the beef combine's destruction of smaller competitors. One recourse is to determine the salience of the two categories of issues simply on the basis of the frequency with which they were mentioned; the evidence then indicates that emotional or nonrational considerations were still a minor theme in a pattern of thought dominated by the same sort of politico-economic calculations that had figured so heavily in midwestern farm thought before 1893.

The farmer was concerned about big business's political influence and, in particular, about the manner in which business had achieved its political power. The leading issue was the political techniques the combines used to manipulate all branches of the government—local, state, and national. When the farmer saw "great corporations working together without regard to party and unblushingly buying newspapers . . . for the purpose of electing men to office who will sell their positions, who can go in poor and come out rich," he began "to wonder whether or not the Republic will continue." He knew that for years "the policy of the railroads had been to seduce and debauch public men who had a reputation as antimonopolists." The companies' tactics succeeded often enough to leave him doubtful that even "the intelligent, independent, clear-headed, honest-hearted, right-thinking
farmer” would be able to defend successfully “the liberties of the American people.”

While the Populist crusade and the election of 1896 had an effect on the farmer’s perception of these political issues, such dramatic events at the national level had less influence on agrarian attitudes than one might have expected. Although the election year witnessed a sharp increase in concern about the political activities of big business, the midwesterner was even more aroused by this subject in 1899 than he had been three years before. As table 4-3 shows, the average amount of attention directed at business’s political affairs was slightly lower in the years 1893–96 than in the five years

<table>
<thead>
<tr>
<th>TABLE 4-3. The midwestern farmer’s image of big business, 1893–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspects of big business mentioned</td>
</tr>
<tr>
<td>Economic</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Political</td>
</tr>
<tr>
<td>Social</td>
</tr>
</tbody>
</table>

Leading characteristics of big business

<table>
<thead>
<tr>
<th>Leading industries mentioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Railroad transportation (40)</td>
</tr>
<tr>
<td>2) Food processing (20)</td>
</tr>
<tr>
<td>3) Primary metals (33)</td>
</tr>
</tbody>
</table>

Leading firms mentioned

1) Chicago, Rock Island and Pacific Railroad
2) Chicago, Great Western Railroad
3) Armour; Pullman

Leading sources of items on big business

1) Meetings and conventions
2) Action taken by big business
3) Other publications

SOURCE: Farmers’ Review and Wallace’s Farmer. Similar data for the previous period are in table 3–4.

aThe top firms, 1879–86, were: Illinois Central Railroad, tied with Chicago and Northwestern Railroad; and the Chicago, Rock Island and Pacific Railroad. The leaders, 1887–92, were: Chicago, Burlington and Quincy Railroad; and Armour, tied with Northern Pacific Railroad.
bThe leading sources, 1879–92, were: Letters to the editor; Meetings and conventions; and Action taken by big business.
following. The information on leading sources (also in table 4–3) lends further support to this conclusion. Political institutions at the federal level were not a major stimulant to discussions of the trust problem, and, in fact, state politics was slightly more effective than national politics in channeling agrarian attitudes on this question.\(^{63}\) Judging merely from the data in table 4–3, one is forced to conclude that the elaborate networks of farm organizations and publications exercised a more substantial influence on opinions among this generation of farmers than did presidential politics.\(^{64}\)

Channeling agrarian attitudes were an unpretentious lot of organizations and publications, hardly the stuff of history on a grand scale. They included state agricultural societies, stock breeder’s organizations, an occasional chautauqua, and the meetings of such national groups as the American Live Stock Feeders’ and Breeders’ Association and the National Association of Co-Operative Mutual Insurance Companies. The newspapers and magazines contributing ideas about big business were also a homely array, ranging from the *Des Moines Register* to *Farming World* and the *Breeders’ Gazette*. On occasion an article from the *Chicago Tribune* or the *New York Telegram* penetrated to this level of the middle cultures, but normally the farmer’s attention focused on the state and local level, his horizons bounded by the poultry show and the stockmen’s convention. While these organizations and papers brought news from the world beyond Des Moines and even beyond Chicago, they usually kept the farmer’s eyes fixed on those local and regional problems which were immediate and pressing for his occupation; they helped ensure that his concern would be with his short-run economic situation and that economic determinants would continue to be the primary factors shaping his attitude toward the trusts.

Above all else, the prices charged by big business angered the midwestern farmer (see table 4–3).\(^{65}\) In the years before 1893, as we have seen, the railroads had cut rates so substantially that the farmer had stopped complaining about freight charges and discrimination. During the depression of the nineties, however, the farmer began once more to attack the railroads for “extortion.” Even though rates (i.e., revenue per ton mile) continued to drift downward, the farmer now said the roads were “taking one half the crop as pay for marketing the other half.”\(^{66}\) Nor did he limit his assault to the railroads; he was not about to “forget that manufacturers, merchants and capitalists have laid their plans to see that they get all there is in our crop this season, large as it may be, and for this purpose through combinations have raised the price of everything we have to buy.”\(^{67}\)

When he was not complaining about prices, the corn and hog raiser was lamenting the spread of the general merger movement or the growth of some particularly obnoxious combine.\(^{68}\) When Standard Oil opened a new wholesale supply depot, he had a chance to “observe the practical working of
one of the worst, if not the worst, monopolies in the United States”; when a combination of some thirty railroads was being discussed, he recognized a scheme “to fix rates for all time to come on transportation between sea board cities and the Mississippi River.” As the merger movement was reaching its peak, Walaces’ Farmer ran an entire series on the “Trusts and How to Deal with Them,” and by the end of the decade there was fear in the corn belt that eastern capitalists were about to launch a combine of combines, the ultimate “king trust.”

While the farmer was thus capable of conjuring up some highly abstract enemies, he lavished most of his animosity on those industries and firms with which he had direct economic relationships. When he said corporation, he usually meant the railroad, and if not, he was probably talking about the meat packers (see table 4–3). The specific firms which attracted most of his attention in the years 1893–96 were transportation companies or packers, and the same was true (although the particular companies changed) in the latter part of the decade. These were the corporations and the industries that seemed to have the most direct influence on his income either as buyers of farm products—e.g., Swift and Armour—or as sellers who provided him with a vital service.

The farmer was angry at these trusts and transportation companies, and the key variable shaping his attitudes was purely and simply income. Whether measured in current or constant dollars, the income of the corn and hog man suffered a sharp decline after 1893; the prices of the commodities he produced dropped precipitously in 1894 and had not recovered their predepression level as late as 1900. Correlations between the figures on gross income and the annual data on favorable and unfavorable attitudes substantiate the conclusion that as farm income went, so went the antitrust movement in the Midwest.

The statistics for 1900 and 1901 are of special significance. The midwestern farmer did not at this time suddenly abandon his self-image as a middle-class citizen, backbone of the nation, nor did he stop worrying about the sinful cities and the collapse of his family farm. What did suddenly change was his economic situation and, with it, his opinion of big business. In these two years prices and income shot upward, and by 1901, the farmer was directing more praise than condemnation at the trusts. He had never completely ignored the positive contributions of big business, even when farm prices had been at their low point in 1896 and 1897. The railroad, he had then acknowledged, was absolutely vital to the economic success of the country’s farm regions. Before 1901, however, this positive theme had been overshadowed by his fierce attack on those “great organizations of capital” that were attempting to “rob the public.” But as his own economic fortunes improved, the farmer apparently forgot about the public and decided that there was much to be said in behalf of men like Philip D.
Armour who were creating “a new era in the business life of America.” By 1901, when J. P. Morgan organized the nation’s first billion-dollar combine, the midwestern farmer was actually more placid about trustification than was the professional engineer.

V. The engineer’s attitudes were, however, far more stable than those of the farmer. Neither the wave of rail and industrial consolidations at the turn of the century nor the depression preceding them were able to dent in any significant fashion the engineer’s calm outlook on big business (figure 4-4). Unlike the cotton farmer, the engineer was pleased with the prices charged by the country’s largest combines. Unlike the minister, he was not particularly upset when some of these companies ran into financial difficulties; there was for him no morality play in the bankruptcies that jarred Wall Street after 1893.

Although normally uninterested in labor relations, the engineer was unable to ignore completely the tumult of the 1894 Pullman strike. Clearly his sympathies were more closely aligned with the social class owning the roads than with the class of men who were striking. Irresponsible strikers caused derailments and wrecks and labor organizations possessed, in his view, “a power and a solidarity which are dangerously underestimated by too many men in positions of authority.” Most of the railway employees were, he felt, “law-abiding and honest citizens. . . But in these matters the radical minority is apt to take the lead, while the conservative majority stifles its convictions and follows with blind obedience the leaders. Further, in every such conflict of capital and labor, there are unfortunately too many firebrands from the semi-criminal classes, who will seize the opportunity to destroy property and commit violence of every sort.” Property rights were all-important to the engineer. In fact, he divided everyone connected with American railroads into “men of high and low degree,” and he left little doubt about the class with which he identified.

The engineer’s special blend of professional ideology and class consciousness withstood the impact of the depression, promising that the most outstanding characteristics of his image of big business would continue to be stability and neutrality. Judging from the figures in the Appendix (i.e., the mean deviation), the nineties was not a period of disequilibrium; there were changes, as we shall see, but the pace of change was slow and the major dimensions of the engineering mentality were stable. The engineer continued to pay more attention to the products and services of the large firm and to its managers than he did to any other facets of business activity (table 4-4). He was most interested in the same three industries that had been of greatest concern to him before 1893, and all three were either directly or indirectly involved in transportation. Even the specific firms he talked about
most frequently changed less than one might have expected during a period of major reorganization in the transportation and industrial sectors of the economy. Other Americans might have been worried about Standard Oil or the sugar trust, but the engineer kept his eyes fixed on the Pennsylvania Railroad, a company he considered more important than any other large enterprise in America.

His ideas about big business flowed down a narrow valley, bounded on one side by the hard rock of his direct experience with the large firm and guided on the other by his professional organizations and technical journals. When he commented on the large corporation, his remarks most often stemmed directly from something business itself had done (see the category “Leading sources” in table 4-4), from making “extensive improvements,” to conducting experiments with a new type of motor car, to reorganizing the company’s administration. Meetings and conventions were the next most important source of ideas, followed by books and articles published in

FIRST GENERATION
newspapers and in other magazines. The meetings included those of a variety of different organizations, but almost all were of some form of professional group directly involved with engineering. They included local associations such as the Civil Engineers Club of Cleveland, regional groups along the lines of the Engineering Association of the South, and most often the national organizations of the mechanical and civil engineers, the railway master mechanics, or the master car builders. The publications that interested him were also largely technical and professional in their orientation; on rare occasions he might garner some useful idea from the Pittsburgh

<table>
<thead>
<tr>
<th>TABLE 4-4. The engineer’s image of big business, 1893–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aspects of big business mentioned</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Economic</td>
</tr>
<tr>
<td>Political</td>
</tr>
<tr>
<td>Social</td>
</tr>
<tr>
<td>Leading characteristics of big business</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Leading sources of items on big business</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

SOURCE: Engineering News. Similar data for the previous period are in table 3–1.

The top three firms, 1880–86, were: Baltimore & Ohio Railroad, tied with Pennsylvania Railroad; Northern Pacific Railroad. The years 1887–92, the leaders were: Pennsylvania Railroad; Baltimore & Ohio Railroad; Northern Pacific Railroad.

For the 1880–92 period, these were: Action taken by big business; Meetings and conventions, tied with Other publications.

CRISIS, 1893–1901

99
Times, the Buffalo Express, or even the North American Review, but normally his cultural exchanges were with the Railway Age, the Engineer, and the Yearbook of Railway Literature. These sources reinforced professional attitudes and helped to preserve his particular concept of the engineer's role. Unless big business abruptly turned on itself, unless the engineering associations suddenly decided that technology was less important than social equity, unless the editors of technical journals hastily adopted a broader view of their mission, the engineer was unlikely to abandon any of the major elements in his outlook on large-scale enterprise.

The changes that took place in the engineer's image of the corporation were thus minor transitions in an otherwise stable pattern of thought, and the job of isolating and explaining these new developments is like handicapping a snails' race—small differences matter a great deal. One such difference can be seen in the balance between negative and favorable evaluations of the large firm. Although the engineer never became as upset about the trusts as did the farmers and skilled craftsmen, in the mid-nineties there was a brief period in which he was more likely to condemn than to praise the corporation (figure 4–5). By this particular measure, in fact, he was more agitated about the problem of big business in 1896 than at any other time in the entire sixty-one year timespan covered by this study. If, instead of these figures, we use the same percentages employed for the other groups, 1901 stands out as the peak year in this cycle of anticorporate sentiment (and also the peak year, 1880–1940). In either case, the years 1893 through 1901 deserve special attention, and it would appear that not even the professionally minded technician was entirely impervious to the important transitions taking place in American society during this pivotal decade.

Indeed, the depression and the merger movement prompted some anxious consideration of the kinds of opportunities the future held for the engineer. When railroads were combined, he observed, and “thousands of miles come under one head, one man can, and does, decide such questions for a large portion of the United States just as well as for a road 100 miles long. The result is that there has been a very great diminution in the number of engineers employed per mile of road and a great increase in the number of assistants compared to that of chief engineers, and that there are a large number of engineers in subordinate positions such as chainmen, rodmen, draftsmen, etc., for whom there may be little or no chance of promotion; and there are many who must occupy practically the same positions all their lives, as there are very few men above them to whose positions they can hope to succeed.” Even those who reached the lofty position of chief engineer could expect to find their role in the enterprise diminished, as they would no longer actually build things—they would decide what kinds of equipment and supplies to purchase and then the specialists would direct the construction.83 On occasion the engineer looked back with nostalgia on the boom
times of “rapid railway extension,” those predepression days when “good and reliable men” had been “scarce . . . in proportion to the demand.” His own prospects seemed reduced, and he pondered “the list of high operating officers of the railroads of the United States,” wondering why “there are very few indeed taken from the engineering profession.”

As these remarks suggest, the engineer’s opinion of big business could be influenced—at least in minor ways—by changes in his economic fortunes. During the first years of the depression, his income (in both current and constant dollars) continued to increase; in the middle of the decade, however, his annual income began to level off, and as economic recovery began his salary increases failed to keep pace with the rate of inflation. In 1900 and 1901, his income was lower in terms of purchasing power than it had been in 1898. Significant correlations between income data and the
figures on favorable attitudes substantiate the conclusion that economic variables were, in part, responsible for the changes taking place in the engineer's image of the large corporation. The engineer found fewer opportunities in the nineties to laud the corporate managers who controlled his salary and his chances for advancement within the firm.

Another change in engineering attitudes can be traced in large part to the new economic setting of the nineties, although in this case the relationship was less direct and personal. As the construction of new railroad lines waned, various urban-centered projects became more important as a source of employment for the professional engineer. Thus, city and suburban transportation systems assumed new significance for the engineer in the years following 1892 (see "Leading industries" in table 4-4). Since local transportation ventures brought private enterprise into intimate relations with urban governments, the engineer also became more interested in the political dimension of big business. He now began to express growing concern about the dishonesty that all too often characterized these undertakings. Some years before Lincoln Steffens published his muckraking articles on urban corruption, the engineer was taking note of the shameful collusion between city officials and assorted tycoons; one such episode was considered by Engineering News to be "as pitiful a case of juggling with an official trust as has been made in many a day by men above the grade of pot-house politicians." The commissioners were "mere puppets of some power behind the throne." On occasion the engineer looked beyond the confines of the city or state to raise broad political questions about, for instance, the relationship between tariff protection and the trusts. But normally he directed his critique of political economy at the problems closest to his immediate professional interests.

A third development in the engineer's image of the large firm involved a new concern on his part with the overall efficiency of large-scale enterprise. In this case his conclusions as late as 1901 were overwhelmingly favorable to big business. Farmers and laborers might attack the sugar trust for raising the price of an essential commodity, but the engineer found comfort in the fact that the combine kept all of its machinery in operation and thus reduced its "maintenance account." While new combinations in the railroad industry angered other citizens, the technician smiled at the news that the roads were responding to "the demand for greater economy in the movement of a traffic that has grown and multiplied year by year."

The immediate source of this new interest seems to have been the large firm itself. There was, of course, a growing enthusiasm for efficiency and scientific management in the professional organizations, and as Samuel Haber and Samuel P. Hays have shown, that enthusiasm existed far beyond the world of the professional engineer. But this phenomenon belonged to the twentieth century, and in the nineties the engineer was responding largely to developments within the large corporation. In the railroad industry, for
instance, the mergers of the nineties followed on the heels of a long period of declining rates, leaving management newly concerned with the need to lower costs through more efficient operations. Much of the railroad construction that took place in these years was aimed more at improving existing lines than at extending service into new areas. The engineer reacted to these efforts, and for the most part his response was praise for his employers. This was one issue on which the principles of engineering and the principles of business seemed to yield the same results. Later, when his interest in efficiency became even stronger, the engineer would have some second thoughts about the effectiveness of the largest firms, but in the years 1897-1901 he was convinced that big business was doing a good job of improving its internal operations.

Changes in engineering attitudes toward the corporation were thus primarily a result of economic and organizational factors and, to a lesser extent, political developments. Lower income and depression conditions sparked a more critical attitude toward the large firm as an employer. A basic shift in economic opportunities drew the engineer's attention to urban projects and hence to the problem of corrupt city governments acting in collusion with big business. At the same time, however, many of the country's largest firms won praise for their efforts to operate more efficiently. While the engineer's ideology and class values ensured that the major outlines of his concept of the corporation would remain stable, these three themes represented important changes and each would continue to be important in the years to come. In that restricted sense the nineties witnessed a significant transition in the engineer's attitudes toward the giant firm.

VI. The engineer and the Iowa farmer thus convinced themselves that big business presented no threat to their vital interests, but the skilled craftsman who worked around Pittsburgh could not. The steel trust and other combines had a crucial impact on his life. If not employed in one of the trust's mills, he probably worked for another large corporation that regularly encountered U.S. Steel in the marketplace. The steel trust came to symbolize for him the forces of change in modern industry, forces transforming the role of the skilled worker and threatening the labor organizations designed to protect his craft. To understand how the worker responded to these changes, however, we must first look back to the early nineties, to the months immediately preceding the depression.

At that time the rumors circulating about Andrew Carnegie's Homestead mills had proven to be completely and unfortunately true: the "iron king of the known world" had armed to fight the Amalgamated Association of Iron, Tin, and Steel Workers and to free his plants entirely of union influence. The ensuing strike was brutal, and while both sides suffered as a result of this struggle, union losses were most obvious, immediate, and
overwhelming. After Carnegie had defeated craft organizations in the most progressive iron and steel plants in the nation, the outlook for trade unionism in this vital industry was at best poor. In the difficult months that followed, the skilled worker was reminded again and again of that "painful contest," "the most noted labor conflict of modern times." There were trials for the men charged with criminal action in the strike, and Carnegie was linked with a "style of terrorism" which was "part and parcel of ring political methods." His philanthropy invited scorn from the workers: "When the Carnegie Steel Company twelve-hour men are done with the day's labor of course they will feel keen in pursuit of knowledge and the cultivation of the beautiful, hence will rush to the Carnegie libraries."

The harsh defeat at Homestead was followed by the depression, with its inevitable rounds of wage cuts, layoffs, and new strikes. As the skilled worker surveyed the railroad, iron and steel, and coal industries, he saw little that was encouraging for the future of trade unionism; when he reflected on the industrial giants dominating these vital industries—whether the Carnegie enterprise or Jones and Laughlin or the Pullman Company—the outlook seemed gloomy both for the craftsman and for his organizations (see table 4–5). In 1894 during the violent Pullman strike he witnessed the victory of a company engaged in "coldblooded tyranny" imposing "a system of gouge and fraud upon its employees." A few months later, when he could "still hear the groan of oppression and poverty from the town of Pullman," he saw the "coal barons," the "brutal vultures" who monopolized the industry, hire "midnight assassins" to defeat the workers and deprive them of "time, light of day and the means to clothe and educate their families."

Nor did the economic recovery of the late nineties bring the worker any immediate relief. Even though good times dampened labor-management strife and pushed up wages, prosperity could not heal the wounds of the Amalgamated Association. The leading union in the area was still weak and growing weaker, just when the merger movement in transportation and in manufacturing was reaching boom proportions. The craftsman was uncertain what the implications of these latest mergers were for him; he watched closely as new combines emerged among the manufacturers of tools, wire, nails, thread, silver products, tin, paper, tobacco, and food. On occasion he grumbled about paying tribute to trusts that underpaid their employees and overcharged customers for products "of universal use, such as sugar, oil, thread, and, shall we say, whiskey . . ."; at times he became extremely angry, as he did when one of the new corporations shut down its smaller and less efficient plants, depriving many skilled craftsmen of their jobs. In these circumstances he might conclude that the men had "to combine together closer than ever or else the . . . 'combine' will get the best of us." But tighter combination seemed to be a more realistic goal for the monopolists than it was for their employees.
The worker was disturbed with big business but uncertain of exactly what he should do, and his opinions were unstable throughout the nineties (figure 4–6). By our measure (M.D.), the nineties were the years of maximum disequilibrium in the opinions of those workers who read the *National Labor Tribune*. No longer were the fluctuations in the worker's image of the large firm closely keyed to changes in his real income, as they had been in the eighties. No longer could he feel assured that prosperity would undo the damage wrought to his major union by the previous years of depression. He was, in Robert H. Wiebe's terms, searching for order, for a new orientation that would include a new way of conceiving his relationship to the giant firms surrounding him.

His complaints about these companies fell into an interesting and revealing pattern. His major objection during the years from 1893 to 1901 was to corporate labor relations, followed by expressions of dissatisfaction with the policies on wages and hours. During the years 1893–96, he also frequently lamented business's dependence on help from the government —especially in the form of injunctions—and he often criticized corporate management. In the following five years, his third- and fourth-ranking complaints shifted as the merger movement got underway: now he grew worried about the general economic power of the combines and about the mere fact of trustification. Missing, however, was one of the central problems he faced in the nineties—that is, the displacement of skilled workers that occurred as corporations mechanized their operations. He frequently discussed the improvements large concerns were making in their plants, and he was well aware that following a merger, a combine normally shifted production from its less efficient to its more efficient locations. But the relationship between mechanization and the traditional crafts rarely received much attention—despite the threat technological advances posed to his security. His failure to discuss mechanization reflected, I believe, his powerlessness as an individual to fight the machine and his inability to organize effective craft unions.

Confused and threatened, the skilled worker began to look elsewhere for support; he began, in fact, to look to the companies themselves for protection. When this happened, his image of big business began to stabilize around a new set of norms. Equilibrium in this instance was a product of resignation, of acceptance of his inability to achieve countervailing power through unionization. The hopes of 1892 had been dashed, and by 1901 the craftsman had adopted a new outlook on the corporation and a new concept of his own role in the emerging system of industrial giants.

In that year the stability of this new perspective was tested when J. P. Morgan successfully organized the United States Steel Corporation. This combine was enormous, held a strategic role in the national economy, and was all-important to the readers of the *Tribune*. The first remarks about the
FIGURE 4-6. The skilled worker's evaluation of big business, 1880-1901. The annual percentages represent the proportion of items in National Labor Tribune reflecting each attitude.

Steel trust appeared in April 1900, when a rumor circulated that the combination of leading sheet steel producers was "only a forerunner for a still greater one" which would bring together companies making a wide variety of iron and steel products. A few months later this story surfaced again, but the paper cited "a well-known industrial authority" who had concluded that insofar as industrial combines were concerned, the "virtual limit of consolidation" had been reached. Expert authority sold at a sharp discount in February 1901, however, after U.S. Steel brought together under one corporation most of the major producers in the iron and steel industry, including the enormous Carnegie interests.

The skilled craftsman kept a wary eye on the trust's every move. At first his responses were mixed; he seemed unable to decide what, exactly, would come of the combine and the men it employed. On the one hand there

FIRST GENERATION

106
was ground for optimism when one of the corporation’s leading officers asserted that the company would yield “benefits” to its workers, including “stock distributed to deserving employees.”

If the trust could in fact stabilize conditions in the industry, that too might benefit the workers. On the other hand there was good reason to fear a “master” combine composed of mills which were, for the most part, nonunion. It was unclear how Morgan and his managers would treat labor organizations, but initially they made no effort to bring all of their plants under one rule. Through the early summer of 1901, the worker still had mixed feelings about the corporation.

In subsequent months his attitudes changed in two distinct phases. In the fall of 1901, when the Amalgamated Association began a protracted and losing battle with the Morgan interests, the skilled laborer found much to criticize in “the moneyed power,” the “soulless barons” who used “hunger

### TABLE 4-5. The skilled worker’s image of big business, 1893-1901

<table>
<thead>
<tr>
<th>Aspects of big business mentioned</th>
<th>1893-1896</th>
<th>1897-1901</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High year</td>
<td>Low year</td>
</tr>
<tr>
<td>Economic</td>
<td>100%</td>
<td>93%</td>
</tr>
<tr>
<td>Political</td>
<td>18</td>
<td>16</td>
</tr>
<tr>
<td>Social</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

**Leading characteristics of big business**
1) Labor relations
2) Products or services
3) Wages and hours
1) Existence or expansion
2) Labor relations
3) Wages and hours

**Leading industries mentioned**
1) Railroad transportation (40)
2) Primary metals (33)
3) Coal mining (11-12)
1) Primary metals (33)
2) Railroad transportation (40)
3) Coal mining (11-12)

**Leading firms mentioned**
1) Carnegie Iron & Steel
2) Illinois Steel
3) Jones & Laughlin
1) American Tin Plate
2) Carnegie Iron & Steel
3) National Steel

**Leading sources of items on big business**
1) Action taken by big business
2) Other publications
3) Letters to the editor

SOURCE: *National Labor Tribune*. Similar data for the previous period are in table 3-5.

*a* In the early eighties, the top firms were: Jones & Laughlin; Baltimore & Ohio Railroad, tied with the Pennsylvania Railroad. During the period 1887-92, they included: Carnegie Iron & Steel; Pennsylvania Railroad; Reading Railroad, tied with Pennsylvania Steel. *b* Before 1893, these were: Action taken by big business, tied with Other publications; Letters to the editor.

CRISIS, 1893-1901

107
and privation" to break the workers' resistance (figure 4–7). But surprisingly, this hostility soon gave way; by January 1902, the worker's appraisal of the steel trust and of big business in general was once again primarily neutral, with negative viewpoints at a distinctly lower level. While he still bestowed more criticism than praise on large enterprise, he was apparently resigned to a situation in which neither he nor his trade organizations could realistically expect to change the balance of power. His new outlook on the trusts had thus proven to be relatively stable under unique and trying conditions.

VII. Other workers—favored with stronger unions and more stable crafts—looked upon giant enterprise from a markedly different perspective. The readers of American Federationist saw an extremely negative portrait of the trust movement (figure 4–8), and during the depression of the nineties, the Federation's members appear to have been even more upset with big business than were farmers in either the South or Midwest. The AFL member focused his discontent on two highly specific issues: labor relations and wages and hours (table 4–6). He found opportunities to criticize big business when the Northern Pacific Railroad cut wages (but not the salaries of its receivers), when Andrew Carnegie used "the arbitrary power of discharge from employment," when men requesting a wage increase were locked out of their shops, when a traction company used "methods of coercion and intimidation, discharge and blacklist," and when laborers were "penned behind Pullman's... silent walls." The combination movement—that is, "the forced aggregation of capital into monopolies and syndicates"—earned condemnation, as did "the railroad kings who now command the courts to enforce reduction of wages."

His attitude was consistently negative through the depression and the late nineties. In the years 1894–96, he directed most of his attention toward four major industries: railroads, iron and steel, food processing, and the manufacture of tobacco products. After 1896, the top four industries on the list remained the same, with only a slight change in rank order. The specific firms attracting most of his animosity varied from year to year, as strikes and lockouts drew his attention from one corporate enemy to another; but throughout the nineties the leading irritant was and continued to be James B. Duke's American Tobacco Company. Duke's "scab cigars" upset the AFL member even more than the nonunion biscuits manufactured by U.S. Baking or the coal that came from Rockefeller's government-defended Colorado mines. In these regards, his concept of the corporation remained stable through the latter part of the decade.

There was a class dimension to his thought, and occasionally his discussion of big business revealed signs of a general sense of social disorder.
Sometimes he was anxious about his status. He condemned “the upper class” and the government which brought “the scum to the top” of American society.\textsuperscript{124} He was aware that the distinguished citizens who paid for the pews in the country’s churches were also the people who were responsible for the terrible working conditions in the Chicago stockyards.\textsuperscript{125} In his mind “millionaire corporations” were linked with high society and both were in turn associated with opposition to trade unionism.\textsuperscript{126}

On balance, however, these aspects of the organized worker’s concept of big business were distinctly minor themes in an outlook dominated by specific material considerations. One of these was income, and the high correlation between earnings and attitudes in the nineties emphasizes the difference between this group of craftsmen and those who read the \textit{National Labor Tribune}.\textsuperscript{127} The latter were dismayed by the problems facing their
leading unions, while the former remained fixed on a steady course directed at the exclusive goal of immediate, material gains to be achieved through craft unionism. The major sources of ideas for the AFL member were internal to the trade union movement: they were letters (usually organizer’s reports) to the editor, and accounts of actions taken by labor groups, normally either the Federation itself or an affiliated union (see table 4–6).\textsuperscript{128} His was a narrow outlook, and he was open to the influence of only a few, highly specific variables—one of which was income. Not until the very end of the decade, when his wages began to increase sharply, did he begin to relax his aggressive stance toward the trusts, and even then he traded negative evaluations for neutral, not favorable, opinions.\textsuperscript{129}

A second factor contributing to a change of opinion at the turn of the century was the AFL’s great increase in membership.\textsuperscript{130} As the federated organizations achieved greater support and bargaining power, they found

\textbf{FIRST GENERATION}
that their relations with the trusts improved. The telegraphers discovered that they could now adjust their grievances with the railroads; the freight handlers at last forced James J. Hill's Northern Pacific to yield to their demands; and the machinists who worked for the National Enameling and Stamping Company were able to win the nine-hour day. Giant combines such as these appeared to the AFL member to be making less use of political muscle, and he found fewer opportunities to condemn injunctions, the militia, and "the charlatans and demagogues of hired monopoly." He still had serious reservations about "the tremendous powers" of U.S. Steel and other "concentrated monopolies," but by 1901 his antagonism toward big business was no longer as firmly rooted as it had been during the depression. He was beginning to waver, and his attitude toward the trusts would remain unstable for a number of years while he debated the relative merits of large enterprise.

### TABLE 4-6. The AFL's image of big business, 1894–1901

<table>
<thead>
<tr>
<th>Aspects of big business mentioned</th>
<th>1894–1896</th>
<th>1897–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>High year</td>
<td>Low year</td>
</tr>
<tr>
<td>Economic</td>
<td>100%</td>
<td>83%</td>
</tr>
<tr>
<td>Political</td>
<td>42</td>
<td>16</td>
</tr>
<tr>
<td>Social</td>
<td>13</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leading characteristics of big business</th>
<th>1894–1896</th>
<th>1897–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Labor relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Wages and hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Existence or expansion; Dependence on political assistance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leading industries mentioned</th>
<th>1894–1896</th>
<th>1897–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Railroad transportation (40)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Primary metals (33)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Food processing (20)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) Tobacco manufacturing (21)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leading firms mentioned</th>
<th>1894–1896</th>
<th>1897–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) American Tobacco</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) American Biscuit; George Ehret</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Leading sources of items on big business</th>
<th>1893–1901</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Letters to the editor</td>
<td></td>
</tr>
<tr>
<td>2) Action taken by labor</td>
<td></td>
</tr>
<tr>
<td>3) Other publications</td>
<td></td>
</tr>
</tbody>
</table>

**SOURCE:** *American Federationist.*

**CRISIS, 1893–1901**

111
VIII. By 1901 an entire generation of Americans had acquired distinctive attitudes toward big business. Each of the occupational groups studied—indeed, each of the subgroups—had reacted to the trust movement in a different manner. Economic, organizational, and political interests had shaped these attitudes, as had values, ideologies, and a sense of class alignment. Despite differences, there were some patterns of thought common to all or at least most of the groups studied: most had become increasingly perturbed about the trusts; all had seen the combination movement spread to a wider range of major industries; all had changed their concept of the corporation in some significant way. The most general pattern that emerges is one of mounting hostility, as images of the giant firm among the middle cultures became more negative, reaching a peak in the depression of the mid-nineties (figure 4–9). Neutral attitudes gave way as Americans vented their anger against the trusts and syndicates that were remaking the structure of the industrial economy.

The only qualifying factor in this picture of emerging conflict and crisis was the extent to which most of the middle classes continued—even in the depression—to look with favor on certain of the material accomplishments of big business. Favorable attitudes were thus far more stable than negative opinions. For this reason, we must bow slightly to the consensus school of history even though, for this generation, our major theme is mounting hostility toward the corporation. During the worst years of the depression, middle-class Americans had some praise for the products and services of big business and for its contributions to the country's wealth, and these opinions provided an important foundation upon which subsequent generations would build a culture which found the modern corporation an acceptable—although not always praiseworthy—institution.

In the nineties, however, most middle-class citizens were still opposed to the combination movement, and all of our evidence indicates that this decade witnessed a major crisis in American life. Many scholars have found evidence indicating important shifts in thought during the nineties, but all too often their arguments are met with opposition from historians who hold that similar changes were taking place before 1890. The problem, of course, is to find what was normative for the society—or in this case the middle classes—and content analysis data is particularly well suited to answer this kind of question. We can conclude that while there was evidence of disequilibrium and some signs of social disorder in the eighties, the changes taking place after 1890 represented a far more significant turning point for the middle class. Supporting this conclusion are the data on disequilibrium, the high level of hostility expressed toward the large firm, and the substantial changes that took place in the content of the several group images. By these measures the nineties emerge as a decade of social turmoil and dramatic cultural transition.
Even at this point in the study, we can reexamine and begin to sort out some of the major historical syntheses discussed in the first chapter. We have already seen that consensus history provides a useful concept, but not an acceptable synthesis, and the same might be said for the progressive and Schumpeterian frameworks. Neither is useful without first performing major surgery on their analyses. From both the progressive and Schumpeterian syntheses one must remove the intellectuals as a major causal factor; in only one subgroup—the clergy—do they appear to have had an important effect upon attitudes. Similarly, political leadership and the political system in general appear to have been less important in shaping this generation's ideas about the trusts than liberal historians have concluded. Indeed, political variables *in toto* had less impact on opinions than did social factors. We found abundant evidence of class concepts and these ideas colored middle-class perceptions of the trusts, much as a Marxist historian would
have it. Class opinions were more malleable than Marxian analysis sug-
gests, but along with occupational-group values, they exerted a significant
effect upon the public image of the great corporation.

We can also use the Marxian emphasis on the underlying economic
situation as the major force shaping attitudes in society. Clearly, economic
factors influenced the changing patterns of group imagery more decisively
than any other general class of variables. Equally clear is the conclusion that
these economic factors were varied and complex and should only be studied
within their organizational context. The organizations providing their
members with power and sustaining (or failing to support) role concepts,
ideologies, and value systems had an important impact upon attitudes. For
this first generation, organizational factors were second only to economic
forces as a determinant of public opinion. The interaction between economy
and organization was crucial in molding the first generation's hostile reac-
tion to the emergence of the modern corporation.