This photograph from the Library of Congress is of the ruins of a tent camp of striking coal miners at Ludlow, Colorado after it was attacked by the Colorado National Guard on April 20, 1914. Among those killed were women and children.

HISTORY PROVIDES USEFUL PERSPECTIVE AND UNDERSTANDING

by

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We learn how to make better decisions on the basis of our own, individual past and, if we are familiar with it, that of our society. Because the past helped shape today, a knowledge of history helps us understand the world we live in. As we age, our perspective changes in useful ways. Studying history also advantageously changes our perspective.

There is some value in learning about life in China in the year 500, but being familiar with life in the United States much more recently is more useful to Americans. Art history is of great value to artists, but its value is not as great to the general public as is business and economic history.
Every generation is beset with problems. The generation that lived through the Great Depression of the 1930s and fought World War II in the early 1940s had such extraordinary tribulations to deal with that it is called the Greatest Generation. Americans who are familiar with this generation's story and that of its ancestors and descendants have a perspective that should enable them to view more reasonably and deal more wisely with current problems.

The late nineteenth and early twentieth centuries [in the United States] are often referred to as the time of the "robber barons."

It is a staple of history books to attach this derogatory phrase to such figures as John D. Rockefeller, Cornelius Vanderbilt, and the great nineteenth-century railroad operators — Grenville Dodge, Leland Stanford, Henry Villard, James J. Hill, and others. To most historians writing on this period, these entrepreneurs committed thinly veiled acts of larceny to enrich themselves at the expense of their customers. [DiLorenzo]

It was not only consumers who believed they were being exploited by robber barons. Many workers viewed themselves as victims of filthy rich, monopoly capitalists who worked them too hard—perhaps in a dangerous environment—for starvation wages. Mill villages where workers lived in company houses and were paid in script usable only at the company store were viewed as modern feudalism.

College students learn from their textbooks that the reason for becoming a monopolist is to be able to earn a higher profit because having control over supply enables you to raise price. Yet, perhaps the most hated Robber Baron, John D. Rockefeller, who came close to having total control over domestic oil refining, made a fortune by drastically reducing the price of kerosene!

Rockefeller was able to make a lot of money at a low price in large part because the huge size of his oil refining operation and the vertical integration of his Standard Oil Company made it possible for him to dramatically reduce his costs. By lowering his price so much, he was able to sell a lot more kerosene because he made it affordable for everybody. Obviously, he realized that profit = quantity sold X profit margin per unit, and that the lower is price, the greater is the number of units sold. Some other robber barons had the same strategy: reduce cost per unit so much that the increase in sales resulting from passing a large share of this saving to customers would produce a higher profit than would be obtained with a higher price.

Rockefeller's initial tool for taking sales away from other producers of kerosene was developing a kerosene that consumers did not have to worry about lamps filled with it setting their homes on fire. His next competitive strategy was to reduce his price below his competitors' by cutting his costs. One of his early cost cutting measures was producing his own barrels.
Barrels were a major expense for everyone in the industry, and barrel makers were notoriously unreliable when it came to delivering barrels on time. Rockefeller at once slashed his costs and solved this reliability problem by having his firm manufacture its own barrels. He purchased forest land, had laborers cut wood, and—in a crucial innovation—had the wood dried in a kiln before using it to transport kerosene. (Others used green wood barrels, which were far heavier and thus more expensive to transport.) With these and other innovations, Rockefeller’s barrel costs dropped from $2.50 a barrel to less than $1 a barrel—and he always had barrels when he needed them. [Epstein]

By greatly reducing his costs and turning what was left over after refining kerosene from oil that other refiners threw away into saleable products, Rockefeller was able to sell his kerosene at such a low price that other producers’ kerosene, whale oil, coal oil, and, for a while after it became available, electricity wasn’t competitive with it.

Standard Oil began in 1870, when kerosene cost 30 cents a gallon. By 1897, Rockefeller’s scientists and managers had driven the price to under 6 cents per gallon, and many of his less-efficient competitors were out of business....Standard Oil did the same for petroleum: In a single decade, from 1880 to 1890, Rockefeller’s consolidations helped drive petroleum prices down 61 percent while increasing output 393 percent.... [Kopel and Bast]

In order to get around laws in several states that forbid companies incorporated in other states owning stock in one of their corporations Standard Oil and other corporations formed trusts. A trust holds investors’ stocks in various companies that a trustee or trustee group manage in the interests these investors. Because Congress thought that trusts were simply a way to create a monopoly that would harm consumers through prices above what they would be in a competitive market, it passed the Sherman Antitrust Act that made it possible for the government to bust up trusts.

[Only six years after losing an antitrust case that forced the breaking up of Standard Oil into several geographically separate companies,] Standard Oil dramatically changed its attitude toward Washington, moving from hostility or avoidance to a very warm embrace...[F]ederal control never retreated, transforming what economist Dominick Armentano has called ‘a virtual textbook example of a free and competitive market’ into ‘what had previously been unobtainable: a governmentally sanctioned cartel in oil.’ [Kopel and Bast]

The little-known truth is that when the government took Standard Oil to court in 1907, Standard Oil’s market share had been declining for a decade. Far from being a “monopoly,” Standard’s share of petroleum refining was approximately 64% at the time of trial. Moreover, there were at least 147 other domestic oil-refining competitors in the market — and some of these were large, vertically integrated firms such as Texaco, Gulf Oil, and Sun. Kerosene outputs had expanded enormously (contrary to usual monopolistic conduct); and prices for kerosene had fallen from more than $2 per gallon in the early
1860s to approximately six cents per gallon at the time of the trial. So much for the myth of the Standard Oil "monopoly." [Armentano]

The United States' participation in World War I caused prices to rise, and its ending flooded the labor market with discharged servicemen. This produced labor unrest which resulted in twenty percent of the nation's workers going on strike in 1919. The year began with New York Harbor workers and dressmakers striking. Ferryboats were an essential part of New York City's transportation system. In February, there was a six day general strike in Seattle, Washington that shut down all its businesses. A bomb was mailed to Seattle's mayor, who broke the strike, and bombs were mailed to 40 other public figures. These and other strikes led many to fear that a communist revolution like that which had recently taken place in Russia would take place here.

The cartoon above based on cartoons and anti-capitalist propaganda of the period illustrates how socialists and communists in the early 20th century viewed the United States' economic system. However, these leftist philosophies and anarchism were viewed by the long time Americans who dominated the nation as alien imports. The violence perpetuated by leftists alarmed and repelled most of the public, making acceptable politically the calling out of troops to break up strikes conducted by socialist-oriented unions.

The Colorado miners' strike that included the destruction of the Ludlow camp shown in the photograph above had, as the following portion of an article in the October 28, 1913 issue of Chicago's The Day Book reveals, been going on for months before the "Ludlow Massacre" took place. The more than a year long strike involved numerous gun fights and deaths on both sides.
Throughout the late nineteenth and early twentieth centuries, newspapers were filled with reports of violent attacks on the symbols of American government and business: bombs mailed to mayors and governors, assassination attempts on presidents and capitalists, dynamite found beneath railroad tracks or outside the factory door....[A] crackdown came to a peak in the Red Scare of 1919 and early 1920, when the federal government...deported hundreds of immigrant radicals on suspicion of advocating 'force and violence' against the American government. Nine months after the final round of deportation raids, the Wall Street explosion erupted. [Gage]

A bomb planted in a horse-drawn wagon exploded at noon at the corner of Wall and Broad Streets on September 16,1920. Thirty-eight members of the New York lunchtime crowd were killed and hundreds injured. Anarchists and communists were suspected of being responsible for the bombing, but no evidence incriminating them was uncovered. One of the prominent men radicals attempted to kill was financier J. P. Morgan.
Mineola, N. Y., July 6.—By gashing his wrist with a lead pencil, Frank Holt, who tried to assassinate J. P. Morgan, attempted to take his own life during the night in his cell at the Mineola jail.

Only the prompt action of a turnkey frustrated his attempt. A doctor was hurriedly summoned and the wound sewed up. Holt lost considerable blood, but it was stated today he was in no danger.

Glencoe, N. Y., July 6.—Frank Holt, the university professor who shot J. P. Morgan Saturday, is on the verge of a complete collapse, due, it is declared, to the strenuous third degree to which he has been subjected and the wound in his head made by Morgan’s butler with a shovel at the time of the shooting. Holt has said he will reveal in open court his motive in attempting the life of the financier and his placing of the bomb in the capitol at Washington.

He will also tell where he purchased the dynamite found on him, according to Dr. Guy Cleghorn, the jail physician, who says, however, that owing to Holt’s condition it is hardly probable he will be able to appear in court tomorrow.

Morgan spent a restful day yesterday and bulletins issued from his home declared his condition improving.

The above story about the man who tried to kill J. P. Morgan, Frank Holt, a professor of German at Cornell University, appeared in the final edition of Chicago’s The Day Book on July 6, 1915. (A turnkey was responsible for locking and unlocking cells. The third degree might involve some pretty brutal treatment.) On July 7, Holt managed to kill himself by hurling himself head first onto the concrete floor of his cell. He was then positively identified as Erich Muenter, a Harvard instructor who had disappeared in 1906 after being charged with murdering his wife. He was a German nationalist who opposed the United States providing munitions to the Allies. Morgan had arranged the largest foreign loan in Wall Street history—a $500 million Anglo-French loan—and was the purchasing agent for the Allies. His firm placed more than $3 billion worth of contracts with American firms for weapons, ammunition, and other goods the Allies needed. Some of these goods were carried on the British passenger ship, the Lusitania, that a German submarine sank, causing the death of some American passengers.
The photograph above is of the remains of the Los Angeles Times building after it was bombed on October 1, 1910 by members of the International Association of Bridge and Structural Iron Workers. The bomb, which was made of dynamite, killed 21 and injured 100 people. The bombers failed to kill the newspaper's owner at his home with another time bomb. The Times was fiercely critical of unions, and its employees were not unionized. At the time of the bombing there was an ongoing strike whose objective was to unionize Los Angles' medals trades, and the newspaper was being picketed by supporters of unionization.

Source of photograph: Library of Congress

Eugene V. Debs, the founder of the anti-capitalist International Workers of the World (I.W.W.) union, who several times ran for president of the United States on the Socialist Party's ticket, defended the union men who dynamited the Times.

It is easy enough [Debs wrote] for a gentleman of education and refinement to sit at his typewriter and point out the crimes of the workers. But let him be one of them himself, reared in hard poverty, denied education, thrown into the brute struggle for existence from childhood, oppressed, exploited, forced to strike, clubbed by the police, jailed while his family is evicted, and his wife and children are hungry, and he will hesitate to condemn these as criminals who fight against the crimes of which they are the victims of such savage methods as have been forced upon them by their masters. [Greenstein, Lennon, and Rolfe]

Debs, who opposed the United States participating in World War I, declared that "From the crown of my head to the soles of my feet I am a Bolshevik and proud of it." [Lewy] The Bolsheviks had seized power in Russia as a result of the Revolution there in 1917 and turned it into a communist state. The Revolution also brought to a halt Russia’s war with Germany.
According to Ole Hansen, Seattle's Mayor, "The unions have admitted to their ranks under the stress of war conditions [World War I] every Bolshevik and I.W.W. who desired to join." He was quoted on the above February 9, 1919 front page of The Washington Times as stating that:

When the shipyard strike was called the men went out unwillingly in most instances, although there is a feeling that the lower paid men were not getting sufficient wage when figured on the present cost of living.

Then the radicals, having read of the revolution in Petrograd, tried to duplicate the initial steps of the same here. The city government told them to go to hell, that all things would run as long as there was a government, and made no concessions to the revolutionists.

They closed down the newspaper plants through fear of injury of the employes of newspapers. Business, always cowardly, hunted its hole for a little time until I announced that all people would be protected to the last man and that we had 1,500 men armed with rifles to kill on sight any one that caused disorder.
Shown above is the headline on the front page of the New York Tribune on September 12, 1919.

In September, 1919 three-fourths of Boston's policemen, who wanted higher pay and shorter hours, walked off the job. An increase in crime and rioting ensued. First the mayor called out local militia. Then Massachusetts' governor Calvin Coolidge called out the entire Massachusetts National Guard, and the strike collapsed. The striking policemen, who were among Boston's lowest paid workers, were fired and largely replaced with recently discharged servicemen, who were paid a bit more, granted more holidays, and were supplied with uniforms. (Previously policemen had to buy their own uniforms and bullets.) Coolidge declared that "there is no right to strike against the public safety by anybody, anytime, anywhere." The reputation he earned from dealing with the walkout by Boston's policemen led to the Republicans nominating him for vice president. Upon President Warren Harding's death, he assumed the presidency.

On January 17, 1962, President John F. Kennedy signed Executive Order 10988, Employee-Management Cooperation in the Federal Service that allowed federal employees to organize and collectively bargain. Daniel Henniger, the Wall Street Journal's Deputy Editorial Page Director, claims that by signing this order "President John F. Kennedy planted the seeds that grew the modern Democratic Party." According to Henniger:

...[It] swung open the door for the inexorable rise of a unionized public work force in many states and cities.

This in turn led to the fantastic growth in membership of the public employee unions—The American Federation of State, County and Municipal Employees (AFSCME), the Service Employees International Union (SEIU) and the teachers' National Education Association.

They broke the public's bank. More than that, they entrenched a system of taking money from members' dues and spending it on political campaigns. Over time, this transformed the Democratic Party into a public-sector dependency. [Henniger]
The articles shown above that appeared on the front page of the New York Tribune on September 12, 1919 indicate why the nation became gripped in a Red Scare long before the one that took place after World War II.

In the long and often painful history of race relations in the United States, few periods were as turbulent as the years surrounding World War I. The country exploded into an era of almost unprecedented racial strife. In the year 1919 alone, more than two dozen different race riots broke out in cities and towns across the nation. Unlike the racial disturbances of the 1960s and the 1990s, these riots were characterized by the specter of white mobs invading African American neighborhoods, where they attacked black men and women and, in some cases, set their homes and businesses on fire. [Ellsworth]

Among the cities experiencing race riots were Chicago, Baltimore, Omaha, Philadelphia, and Washington, D.C. In a 1921 race riot the black section of Tulsa, Oklahoma was burned to the ground, making 10,000 people homeless. In Tulsa there were gunfights between whites and blacks. How many people were killed is unknown. White workers' hostility to blacks was fueled by blacks competing with them for jobs and employers subject to a strike hiring blacks to replace striking white workers.
In 1927, an Alabama contractor brought a crew of black construction workers from Alabama to build a Veterans’ Bureau hospital on Long Island, New York that he had won a bid to build. This angered local white construction workers who were members of unions that barred blacks from joining. Their complaint was that Southern blacks undercut "white" wages. Congressman Robert Bacon, who represented the district were the hospital was to be built reacted to this by submitting the first of 13 bills that were designed to prevent "cheap labor" from being used on federal jobs. In 1931, a bill submitted by Bacon and Senator James J. Davis that was supported by the American Federation of Labor required all federal construction contractors pay their workers the "prevailing wage" became the law. In practice, the prevailing wage meant the wages of local, unionized labor.

"The comments of various congressmen reveal the racial animus that motivated the sponsors and supporters of the bill. In 1930, Representative John J. Cochran of Missouri stated that he had ‘received numerous complaints in recent months about southern contractors employing low-paid colored mechanics getting work and bringing the employees from the South.’" Representative Clayton Allgood, who supported the Davis-Bacon Act on the floor of the House, complained of "cheap colored labor" that "is in competition with white labor throughout the country." [Bernstein]

The great success of engineers during this period in raising the standard of living and the success of the huge enterprises that played a major role in achieving this led many to believe that the methods of science and engineering and business could and should be used to eliminate ethnic conflict, labor unrest, crime, and poverty. One of the earliest managerial organizations, the Taylor society (named for Frederick W. Taylor of time and motion study fame), provided the first home to those who sought to apply the techniques of engineering to society. Thus was born a "progressive" philosophy. High hopes, too, were held out for what modern communications could do. Many believed that, by bringing the people of the world into closer contact with one another, radio would cause them to find out that they were all alike and that this would prevent war.

**REACTION: "PROGRESSIVE" BUSINESSMEN**

In her book, *Herbert Hoover, Forgotten Progressive*, Joan H. Wilson says that early in the 20th century a set of amorphous, reformist ideas evolved in response to American leaders' growing fears about destructive competition and social anarchy. Both before and after World War I, reformers, who were called progressives, advocated corporatism. Merriam-Webster defines corporatism as "the organization of a society into industrial and professional corporations serving as organs of political representation and exercising control over persons and activities within its jurisdiction." America’s progressives thought corporatism was a viable political and economic compromise between state socialism and monopoly capitalism.

Through a sense of community and social responsibility, progressives thought that industry, agriculture, and labor would form a self-governing and self-regulating partnership which would, on a decentralized basis, work together efficiently in the public
interest. Progressive American businessmen believed that efficiently, harmony, and abundance could be brought about by a combination of scientific management and cooperative effort. According to Owen Young, chairman of both the board of the General Electric Company and its joint-venture subsidiary, the Radio Corporation of America (RCA), there are three great factors involved in the electrical industry, each of which, he said, we have to keep our eyes on. One is economics, the second is finance, and the third is politics. (RCA was formed in 1919 to provide the American-controlled radio monopoly desired by the federal government. Government pressure forced out the relatively large British-owned Marconi Company.)

Charles P. Steinmetz, a General Electric Company electrical engineering genius, was a socialist originally named Karl August whose political activities forced him to Germany. He believed that humanity had passed from the age of individualistic competition to the age of collective cooperation. Like some economists, such as John Maynard Keynes, Steinmetz claimed that the productive capacity of modern industry had outrun consumption. Therefore, firms had come to compete, not for resources, but for markets. He believed that the industrial corporation had proven its managerial superiority over elected government, and that business would eventually become government and run the nation more efficiently. He advocated a powerful, centralized government of competent men who remained in office continuously. Talent would be self selecting, and a man would rise through the ranks on the basis of talent.

Eventually, Steinmetz believed, competition would force prices below the costs of production, and this would lead to unemployment and social unrest and conflict. In a logical world, he said, production of essentials during a short, managed workday would meet society's basic needs and allow ample time for personal fulfillment that work had previously provided people. The resulting greater leisure time would stimulate educational interests and man would become a highly informed and much more intelligent and self-expressive creature.

Some progressives wanted to do away with the limited government the Founding Fathers established in order to protect individual liberty because this kind of government interfered with creating the powerful, centralized government necessary to carry out the programs necessary for social justice. While they approved of Alexander Hamilton's statist program, they objected to checks upon it.

Alexander Hamilton's famous Report on the Subject of Manufactures has cast a long shadow over U.S. trade policy toward industry. Issued in December 1791, the report not only provided theoretical justifications for the promotion of domestic manufacturing, but as a policy document made specific proposals for government action. These proposals included higher import duties on certain final goods, lower import duties on certain raw materials, pecuniary bounties (production subsidies) for selected industries, government assistance for the immigration of skilled workers, among other measures. To this day, the report is often heralded as the quintessential American statement against the laissez
faire doctrine of free trade and for activist government policies in favor of manufacturing, including protectionist tariffs. [Irwin]

Greatly influenced by Henry Hayek, a leading Austrian economist, in 1938, the well known journalist Walter Lippmann warned social engineers like Steinmetz that there is nothing in the collectivist principle which marks any stopping place short of the totalitarian state. Pointing to various commodities, he asked how the planners, without price data provided by free markets, could account for buyer preferences within a category--say Fords versus Chevrolets--much less across categories--new cars versus new houses.

Economist Joseph A. Schumpeter believed that the wealth capitalism created would produce classes of people hostile to capitalism who would destroy it from within. The Roosevelt family that President Franklin D. Roosevelt (FDR), a Democrat some contemporaries accused of being a socialist, belonged to owed its wealth to real estate and trade. His Delano grandfather had been involved with the China trade: selling opium there in order to earn the money to buy Chinese tea particularly treasured in Britain. FDR's trust-busting Republican distant cousin and predecessor as president, Theodore "Teddy" Roosevelt, also came from a wealthy capitalist family.

Economist Donald Boudreaux of George Mason University has expressed agreement with this view.

The more privileged a person's background, the more likely he is to be a leftist. I know not a single classical liberal law student who is a scion of a wealthy family. Students who share my free market political views invariably are sons or daughters of blue collar or middle class workers, or of families whose substantial economic success was first achieved by the parents of these students. No classical liberal students that I know attended elite prep schools, and only a very few received their undergraduate educations at Ivy League universities. Likewise, the most committed leftists in the student body typically attended exclusive prep schools and, almost invariably, received their bachelor's degrees from schools such as Harvard, Yale, Smith, and Stanford. In short, it is the wealthy—or, at least, the children of the wealthy—who most shrilly criticize capitalist achievement and values. Capitalism's defenders come overwhelmingly from the working and middle classes.

The fathers of muckrakers Lincoln Steffens and Ira Tarbell were businessmen. Today Steffens and Tarbell, who were both leftists, would be called investigative journalists rather than muckrakers. The author of *The History of the Standard Oil Company*, Tarbell is credited with having played a role in creating the public outrage that led to the successful anti-trust case against Standard Oil. Tarbell had a personal interest in Standard Oil because her father, a Pennsylvania oil producer and refiner, was one of those, she believed, John D. Rockefeller's Standard Oil used illegal means to drive out of business in order to become a monopoly.
According to Guenter Lewy, who has studied communism in American political life:

Intellectuals, it appears, are especially vulnerable to the totalitarian temptation. They see themselves as the moral conscience of society and therefore find it easy to justify the use of the coercive power of the state in order to free ordinary folks from 'false consciousness.' Intellectuals are fond of social engineering and, to use Rousseau's classic phrase, they have little difficulty countenancing schemes that 'force people to be free.' Many American intellectuals, like their counterparts elsewhere, were misled by their yearning for utopia and seduced by wishful thinking about the Soviet Union.

**REACTION: "PROGRESSIVE" POLITICIANS**

Murray Rothbard, a prominent member of the Austrian school of economics, believed that the best way to understand politics early in the 20th century is to study financiers, rather than politicians.

...American politics, from the turn of the twentieth century until World War II, can far better be comprehended by studying the interrelationships of major financial groupings than by studying the superficial and often sham struggles between Democrats and Republicans. In particular, American politics in this period was marked by a fierce struggle between two major financial groupings: the interests clustered around the House of Morgan on the one hand, and the alliance of Rockefeller (oil), Harriman (railroads), and Kuhn, Loeb (investment banking) interests on the other.

According to Rothbard, the ideology of business groups had become cartelist and collectivist, rather than individualist and laissez faire.

Until the 1960s, historians had established the myth that Progressivism was a virtual uprising of workers and farmers who, guided by a new generation of altruistic experts and intellectuals, surmounted fierce big business opposition in order to curb, regulate, and control what had been a system of accelerating monopoly in the late 19th century. A generation of research and scholarship, however, has now exploded that myth..., and it has become all too clear that the truth is the reverse of this well-worn fable.

Monopoly had always been defined, in the popular parlance and among economists, as "grants of exclusive privilege" by the government. It was now simply redefined as "big business" or business competitive practices, such as price-cutting, so that regulatory commissions, from the Interstate Commerce Commission (ICC) to the Federal Trade Commission (FTC) to state insurance commissions, were lobbied for and staffed with big-business men from the regulated industry, all done in the name of curbing "big-business monopoly" on the free market.
In that way, the regulatory commissions could subsidize, restrict, and cartelize in the name of 'opposing monopoly,' as well as promoting the general welfare and national security. Once again, it was railroad monopoly that paved the way.

For this intellectual shell game, the cartelists needed the support of the nation's intellectuals, the class of professional opinion molders in society. The Morgans needed a smokescreen of ideology, setting forth the rationale and the apologetics for the New Order. Again, fortunately for them, the intellectuals were ready and eager for the new alliance.

The enormous growth of intellectuals, academics, social scientists, technocrats, engineers, social workers, physicians, and occupational "guilds" of all types in the late 19th century led most of these groups to organize for a far greater share of the pie than they could possibly achieve on the free market. These intellectuals needed the State to license, restrict, and cartelize their occupations, so as to raise the incomes for the fortunate people already in these fields.

In return for their serving as apologists for the new statism, the State was prepared to offer not only cartelized occupations, but also ever-increasing and cushier jobs in the bureaucracy to plan and propagandize for the newly statized society. And the intellectuals were ready for it, having learned in graduate schools in Germany the glories of statism and organicist socialism, of a harmonious "middle way" between dog-eat-dog laissez-faire on the one hand and proletarian Marxism on the other. Big government, staffed by intellectuals and technocrats, steered by big business, and aided by unions organizing a subservient labor force, would impose a cooperative commonwealth for the alleged benefit of all.

Clashes between these combines, claimed Rothbard, included whether President Theodore Roosevelt, who was allied with the Morgans, should use the "antitrust weapon to smash Standard Oil," and whether President Taft, who was allied with the Rockefellers, should break up Morgan trusts such as International Harvester or United States Steel.

Historian Gabriel Koko had a similar view. He wrote that "...the period from approximately 1900 until the United States' intervention in the war, labeled the 'progressive era' by virtually all historians, was really an era of conservatism." In virtually every case, he argued, the solutions politicians chose to deal with problems were those advocated "by the representatives of concerned business and financial interests." They actually sought federal regulation because its uniform regulation was preferable to non-uniform state regulation that in some cases would be radical.

President Woodrow Wilson, a Democrat, is considered to have been a progressive. In an opinion piece published in The Wall Street Journal on September 15, 2010, Ronald J. Pestritto wrote that:
Woodrow Wilson did oppose the actual socialist movement of his day, and he didn't believe that the government at the time was capable of accomplishing everything socialists then had in mind. Nevertheless, in his 1887 essay, *Socialism and Democracy*, Wilson considered the socialist principle—'that all idea of limitation of public authority by individual rights be put out of view'—to be entirely consistent with democratic principles: 'In fundamental theory socialism and democracy are almost if not quite one and the same. They both rest at bottom upon the absolute right of the community to determine its own destiny and that of its members,...,Limits of wisdom and convenience to the public control there may be: limits of principle there are, upon strict analysis, none.'

Pestritto also observed that "Wilson consistently advocated the adoption of a more English-style government, where there is no written fundamental law to serve as a check on the authority of the national legislature."

Some of Woodrow Wilson's critics contend that he replaced the republic that the founding fathers established with democracy and turned the nation toward socialism. In his essay on socialism and democracy, Woodrow Wilson wrote:

Roundly described, socialism is a proposition that every community, by means of whatever forms of organization may be most effective for the purpose, see to it for itself that each one of its members finds the employment for which he is best suited and is rewarded according to his diligence and merit, all proper surroundings of moral influence being secured to him by the public authority. 'State socialism' is willing to act though state authority as it is at present organized. It proposes that all idea of a limitation of public authority by individual rights be put out of view, and that the State consider itself bound to stop only at what is unwise or futile in its universal superintendence alike of individual and of public interests. The thesis of the state socialist is, that no line can be drawn between private and public affairs which the State may not cross at will; that omnipotence of legislation is the first postulate of all just political theory....

Many affairs of life which were once easily to be handled by individuals have now become so entangled amongst the complexities of international trade relations, so confused by the multiplicity of news-voices, or so hoisted into the winds of speculation that only powerful combinations of wealth and influence can compass them. Corporations grow on every hand, and on every hand not only swallow and overawe individuals but also compete with governments. The contest is no longer between government and individuals; it is now between government and dangerous combinations and individuals. Here is a monstrously changed aspect of the social world. In face of such circumstances, must not government lay aside all timid scruple and boldly make itself an agency for social reform as well as for political control?
Of the progressive philosophy Wilson wrote: "All that progressives ask or desire is permission—in an era when 'development, evolution' is the scientific word—to interpret the Constitution according to the Darwinian principle; all they ask is recognition of the fact that a nation is a living thing and not a machine....Some citizens of this country have never got beyond the Declaration of Independence, signed in Philadelphia, July 4th, 1776...they have no consciousness of the war for freedom that is going on today."

Other progressives who became president were Republicans Theodore Roosevelt and Herbert Hoover and Franklin D. Roosevelt, a Democrat. An advocate of social justice, Theodore Roosevelt said that it could only be obtained through a strong federal government. Ironically, this belief was echoed in the 21st Century by Democrat Barack Obama, who became president in 2009. Theodore Roosevelt said that those who profited from ownership of private property must give way to the advocates of human welfare. He supported progressive income and inheritance taxes, workmen's compensation, firmer regulation of corporations, and regulation of the working conditions of women and children.

Franklin Roosevelt, in a letter in the early 1920s, recounted that he "had some talks with Herbert Hoover before he went West for Christmas. He is certainly a wonder, and I wish we could make him president of the United States. There could not be a better one." Often subsequently portrayed as an admirer of big business and free markets, in reality Hoover believed in substantial government management of the economy.

Hoover, an engineer widely respected for his very profitable professional accomplishments and his humanitarian work in Europe after World War I, believed that, if laissez faire had ever been America's economic philosophy, it was long dead by 1920. The rise of industry, he observed, had been paralleled by a rise of regulation and social responsibility, neither of which was compatible with laissez faire. Nonetheless, Hoover's supposed dedication to laissez faire was for decades said by many to have been the cause of the Great Depression of the 1930s.

Hoover believed in a new economic system based on neither the free markets of Adam Smith nor the socialism of Karl Marx, but on a middle way he thought was achievable through the voluntary cooperation of all economic groups. He believed that he could both make capitalism more equitable (just) and more efficient. Through his program, he believed, "America could have intelligent planning and scientific rationalization without sacrificing the energy and creativity inherent in individual effort and private enterprise."

Before becoming president, Hoover attempted to put his plan into action. His greatest success was probably in the radio industry which, as secretary of what was then called the Department of Commerce and Labor, he oversaw. To foster cooperation between this industry and the government, he conducted four annual radio conferences attended by representatives of the industry and government. Like the National Recovery Administration created as part of Franklin D. Roosevelt’s New Deal for the nation,
Hoover's program bore some similarity to the economic policies of Italy's Fascists and Germany's National Socialist Party (Nazis).

Raymond Moley, a member of Franklin D. Roosevelt's "brains trust" confessed that:

When we all burst into Washington . . . we found every essential idea [of the New Deal] enacted in the 100-day Congress in the Hoover administration itself. The essentials of the NRA [National Recovery Administration], the PWA [Public Works Administration], the emergency relief setup were all there. Even the AAA [Agricultural Adjustment Act] was known to the Department of Agriculture. Only the TVA [Tennessee Valley Authority] and the Securities Act was [sic] drawn from other sources. The RFC [Reconstruction Finance Corporation], probably the greatest recovery agency, was of course a Hoover measure, passed long before the inauguration. [Horwitz]

Following in the philosophical footsteps of Woodrow Wilson, in whose administration he served, Franklin Roosevelt's new progressive rights, unlike those of the Founders, imposed obligations on society to provide jobs, buy homes, and pay for education. Because in order to achieve these, the size of the government had to increase, taxes on the relatively well off would have to be increased. The Founding Fathers wanted a government largely limited to protecting the people's rights, Franklin Roosevelt and the progressives wanted an expanded government that would provide jobs, recreation, education, and houses. [Folsom] Not skeptical of human nature as the Founders were, Roosevelt thought that a president or small group of administrators could provide Americans with the good life while preserving liberty.

In 1948, a new Progressive Party supported by the Communist Party ran Henry Wallace, once Franklin Roosevelt's vice president, for president. He received less than three percent of the vote. These progressives differed greatly from earlier progressives such as Theodore Roosevelt.

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