

Making Democracy Safe in America:
Democratization of Industry

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I propose to set forth this morning what seems to me to be important issues in America so far as the safeguarding of the principles of democracy are concerned.

The principles upon which democratic development rest are the principles first set forth in the Protestant Reformation. To be sure, their application was limited in that movement to the questions of religion, but they were intimately connected with the great social uprising of that time, and at the bottom of that breakup of feudalism, which resulted in the establishment of republican forms of government. I cannot treat the subject very adequately, but I wish to suggest lines of thought that may assist in seeing the way through our present tendencies.

Under medieval society all control was vested, according to their theory of government, in some supernatural institution. In matters of religion it was vested in the Church, which all must obey. Truth was handed down from above by a duly recognized authority. In matters of state the same relation prevailed. The right of government was vested in the King, prince, etc., and he ruled, not by consent of the governed, but by will of the Divine right Ruler. That was an institution accepted by our Germanic ancestors when they conquered the Roman Empire.

But in their untutored days before the Roman Empire institutions became their master, there obtained among these people a natural democracy. They were governed by

¹ This manuscript can be dated by clearly being written during World War I, for example the phrase, "In the first days after the declaration of war, we witnessed," and by its inclusion in a bound collection of manuscripts that include manuscripts that are clearly from 1918—e.g., "Five Months at Camp Devens."

their natural leaders, and with the consent of the governed. When the leader no longer satisfied them, he was supplanted by one that did satisfy. The Reformation, not only in religion, but also in social organization, was the re-assertion of those democratic principles that belonged to the various peoples of Europe by virtue of long centuries of evolution.

In religion the principle is expressed by the phrase of the Universal Priesthood. There is no mediator between God and Man. Man comes into direct contact with God, is directly responsible to God, and God is the sovereign ruler: The dictum of neither Church, state, nor any other institution shall stand in the way of a man's relation of God.

Now part of that medieval institution which belonged to this theory of social organization was that of land ownership. The land was owned by the state and the Church, by the ruler and the priest. The peasants belonged to the land, obeyed their ruler, rendered service to him, supported him in his only lucrative business, that of private war, and fed him and his army. If we once see clearly this important fact, we shall be able to see the reason for many peculiar institutions that obtained in the middle ages, and still survive in modern times. Witness the rush of the Russian peasant to the land. What he is after is private ownership of the land, i.e., ownership based upon his disposition to work the land, and produce for himself under his own direction what his efforts may be able to produce.

One of the greatest contributions to the thought of history in the nineteenth century, the contribution of an idea upon the basis of which the history of humanity is being re-written, and re-interpreted, is that the key to understanding the various institutions that make up any period in history, the knowledge of how in that period the people as a whole produce and distribute the necessities of life. The religion, the political movements, the laws, the customs, the literature of the middle ages cannot be understood until we see that the foundation of the whole system was feudalism, the divine ruler and the serf.

Now it is equally important today in order to understand the great tendencies of thought, both in politics, in religion, and in general social life, to recognize that the basic fact of our modern civilization is what has come to be called industrialism. It is a tremendous, complicated machinery by which we provide for ourselves the necessities of modern life, and its luxuries. Trace the religious thought of a hundred years, and you will see how clearly its direction has been determined by its effort to adapt its principles to the facts of life as created by the industrial system with its great factories, its great industrial cities, and its great system of communication and distribution. The Y.M.C.A., with its big pleasure centers in the cities, its big dormitories, and its Railroad Y.M.C.A., its classes in trades, attempts to meet the needs created by the way in which we provide ourselves with the necessities of life. Another illustration of the same relationship is seen in the attempt that has been made by the churches to meet the needs of the city life, the factory life, by what is known as the institutional church, the social settlement, the Salvation Army. Another illustration is the wave of effort made by churches to do social welfare work. Still another is the extent to which the pulpit has concerned itself with the discussion of social questions, and preached social justice, social amelioration, and even revolution. It is the witness of the influence that the basic fact of our industrial order is having upon the thought, the problems, and the ideas of life as viewed from the point of view of religion.

That is why, in an attempt to set forth some of the more important aspects of present day developments, I have begun with this one of Democracy and Industrialism. To see the nature and general structure of our industrial society is the open way to an insight into the present day tendencies.

Just as in the middle ages the land feudally owned was the basis of organization by which men and women organized into a social order, provided themselves with the necessities of life, protected themselves from the dangers of nature, and secured for themselves such leisure and opportunity as they could for the pursuit of the higher values of life, so today our industrial organization of securing and distributing these necessities of life is the

skeleton of our social organism. When we see the nature of that skeleton, we see the nature of our social arrangements.

For the past twenty-five years especially we have heard a great deal about the power of the "Invisible Government" in the United States. There is little need to go beyond the point of suggesting the fact of this power. It has appeared in municipality, in state, in the nation. Everyone has recognized it. Even the courts have felt its pressure. Books have been written about it. Political parties have been organized to fight it. At every turn, the citizen, the believer in the institutions and achievements of political democracy, has come in contact with this invisible power, operating, now here, now there, in the interests of some other end than that of the state or the citizens thereof. The political history of the last twenty-five years at least has been a conflict between this invisible power with its special interests, and the welfare of the nation as a democratic institution seeking to develop its own future and well-being.

Of late, it has become evident that there has been developing in the midst of this great political republic of ours a great industrial empire of such power and such scope and such influence as to dispute with our political institutions as to the right of supreme authority. The history of the Sherman Anti-trust law is a good illustration. The various attempts to "unscramble the eggs of the Industrial Empire by the power of a political democracy" still further illustrates the extent, the perfection of this great empire that has arisen within the democratic republic. For many years now we have been struggling for supremacy with this power in our midst, and the result of that conflict to-date was well-expressed by the late J.P. Morgan when he said that you cannot unscramble the eggs.

Under the pressure of war, we have had new evidences of the extent to which in power and influence this great empire has superseded the units of political democracy, and taken on many of the functions that once belonged simply to communities and states. In the first days after the declaration of war, we witnessed the extraordinary sight of

industrial concerns offering their services and their employees to the nation. Even the political democracy made use of these institutions in securing the estimate of the number of men available for service in case of war. Another illustration is the fact that in this city in putting through the garden project, no attempt was made to organize the thing by the political or geographical units of a political democracy, but by the more natural units of industrial employment. Thus we have the General Electric Gardens, the E.D. Jones Gardens; the Pontoosuc Woolen Company Gardens, etc. These are simply illustrations of the extent to which the Empire of Industry has gained power in our democratic Republic.

Of what does this Empire consist? Like the states of feudal Europe, it has many units. Some are large, and some are small. They are conflicting with one another for the fields of action. Some, like the Standard Oil Company, have pretty well cleared the field of competitors, and with their excess power are reaching out into weaker fields for still further conquest. Others are less completely in mastery of the field. The General Electric Company is an illustration. A large concern, employing more than fifty-thousand men, it has factories in several states, and its ties extend into other industries over which it exercises a controlling influence.

By a very natural process, following the higher law of mutual aid as more beneficent than that of competition, these various units tend to become more centrally organized. Especially in competition with the political democracy with which it contends for sovereignty, are these industrial units drawn together into a centralized Empire. Witness the National Association of Manufacturers organized to oppose democratic legislation, and for other purposes. So the net result is that by the process of the stronger absorbing the weaker, by the process of purchase and interlocking directorates, these units have become centralized into what is the richest and the most powerful Industrial Empire in history. Not only are its influences inter-state in character, but international. Just as the Holy Catholic Church in the middle ages, and the Holy Roman Empire claimed dominion of an international character, does this Industrial Empire practice dominion of an

international character. To be sure, this Empire has not conquered the whole field, but it is the dominating influence. At the bottom, this war is a conflict between large units of Industrial Empire under Democracy with the Industrial Empire under Autocracy in its origin. Whether this war ends in a victory for political democracy depends upon the extent to which political democracy, under the pressure of war, can re-assert its dominion of this great empire that has grown up in its midst.

Now there is another angle from which we may view this Empire of Industry. That is from the point of view of its inhabitants, its personnel.

There are three classes of citizens in this Empire. There are the owners who correspond to the Aristocracy of feudalism. They are not so easily segregated from the rest of society, but so far as the economic structure is concerned, they are the lords of the manor. They do not operate the machines, or perform the intellectual work necessary for the management of the empire. They live upon the profits thereof, a payment made in return for capital invested, or rights secured. The interests of this class of people in the operation of the industrial unit of this growing empire is the return which they receive for their investment or right.

The second class in this citizenship are those who represent the owners in the management and operation of the unit. They include the directors, the managers, the foremen, superintendents, etc.

Finally come the workmen who do what is called the productive work corresponding to the tilling of the soil under feudalism. For this work they are paid wages.

At this point appears the crux of that difficulty which we call the labor problem. The whole essence of that conflict has been over the proportion of the profits of production that shall go to the owner, and the proportion that shall go to the workman. Coupled with this has been the demand on the part of the workmen to insist that in as much as they have to work in these factories, are industrial citizens there, they shall have something to say

as to the conditions under which they shall work, the number of hours, and the nature of the work.

I have been at these pains in setting forth the nature of this Empire of Industry, because, in spite of the fact that you all know this situation, I want to recall it for the purpose of setting forth some suggestions. This is a fact that we have to face.

It is the habit of many to regard this great Empire as a veritable beast of a devil, and everyone who is connected with one class of its citizenship as a saint or a near saint, and all others as rogues and culprits. That is not true. Neither element has a monopoly of saints, nor has either a monopoly of rogues. They are all human beings, and all very much alike under their skins. The question involved is not one of good people or bad people, but rather the question of the nature of the institution, its effect on human life, and the interests of human life. Especially to be noted in this connection is the effect of this growing Industrial Empire upon the principles and practices of democracy.

This great institution of industrialism has created the most stupendous machinery ever devised by man for developing the resources of nature and transforming them into such form as may be usable in meeting the needs of human life. Never before in history has there existed so great a control of man over the power and resources of nature for the purpose of protecting man from the harshness and rigid demands of nature upon the life of man. We have a machine for providing and distributing the necessities of life and its luxuries of such a character, that under normal conditions of peace, all the needs could be met by the expenditure of less than half a day's work on the part of those capable of working. With all respect to the tremendous and sometimes awful powers of nature, the past hundred years has seen the development through invention and organization of the greatest control over nature that man ever had. In spite of its very pressing limitations which...²

² Here, unfortunately, the manuscript stops. The last pages are missing.

