We Know How to Beat Robber Barons

Americans have been wrestling with robber barons for a very long time. The term was first applied in an American context almost 150 years ago as a shorthand description for the railroad magnates and industrialists who were scheming to employ a combination of corporate monopoly and political corruption to redistribute wealth upward.

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In 1870, The Atlantic denounced robber barons as "this new aristocracy of swindling millionaires." Three years later, speaking to the University of Wisconsin Law School graduating class, the future chief justice of the Wisconsin Supreme Court, Edward Ryan, declared: "There is looming up a new and dark power. ... The accumulation of individual wealth seems greater than it has ever been since the downfall of the Roman Empire. The enterprises of the country are aggregating vast corporate combinations of unexampled capital, boldly marching, not for economic power conquers only, but for political power.

"For the first time in our politics, money is taking the field as an organized power," warned Ryan. "The question shall arise, and arise in your day though perhaps not fully in mine: Which shall rule, wealth or man? Which shall lead—money or intellect? Who shall fill public stations—educated and patriotic free men or the feudal serfs of corporate capital?"

We hear echoes of the same language today, as National Nurses United union leader RoseAnn DeMoro decries "the parade of billionaires who seem to think our votes are just another entitlement of their wealth," and Vermont Senator Bernie Sanders warns, "The great political struggle we now face is whether the United States retains its democratic heritage or whether we move toward an oligarchic form of society where the real political power rests with a handful of billionaires, not ordinary Americans."

The rhetorical parallels can lead to a sense that the robber barons have been on a steady trajectory, that the balance of power had always tilted entirely in their favor and that it is absurd to try and prevent them from closing the deal on America. That sense can be reinforced by data that tells us the wealthiest 1 percent of Americans today collect more of the nation’s income than at any time since the 1920s, renewing a Gilded Age pattern where the top 1 percent control more of America’s largesse than the bottom 90 percent.

But to compare statistics from the start of the last century with statistics from the start of this one is to miss the history that matters. That history, as the Center on Budget and Policy Priorities reminds us, includes the picture of "a long historical decline in the concentration of wealth from the late 1920s into the late 1970s." For the better part of fifty years, as progressive tax and regulatory policies were implemented and barriers to the organization of unions were removed, American prosperity began to be shared. There was still a substantial gap between rich and poor but, as the center notes, in the high-tax, high-unionization boom times following World War II, "incomes grew rapidly and at roughly the same rate up and down the income ladder."

Things have changed, radically, in the decades since Ronald Reagan and the trickle-down fabulists who surrounded him established a new economic paradigm where a Gilded Age wish list of tax cuts for the rich, privatization of public services, free trade policies, and assaults on organized labor was presented as the solution for all that ailed America. When the strategies produced deficits and decline, the fabulists countered with an austerity agenda—as outlined by conservative Republicans such as House Budget Committee Chair Paul Ryan, but frequently implemented with the assistance of compromising Democrats—that accelerated the income-inequality gap. Today, former Secretary of Labor Robert Reich tells us that the trends we have seen over the past three decades have produced a "savage inequality [that] is the main reason equal opportunity is fading and poverty is growing."

Since the "recovery" began after the 2008 economic meltdown, Reich reminds us that "95 percent of the gains have gone to the top 1 percent, and median incomes have dropped."

Clearly, something has to be done. But what?

No reasonable observer will doubt the role that Franklin Delano Roosevelt’s New Deal played in reducing the concentration of wealth and spreading prosperity. So it should not come as a surprise that we hear a lot of talk these days about the need for "a new New Deal." But the New Deal did not simply happen. It was not even a simple response to the Great Depression. It was the product of decades of increasingly focused campaigning by reformers and radicals whose activism can be traced to the point, six decades before FDR’s election, when the term "robber baron" was introduced to the debate by Americans who recognized the inherent threat posed by a concentration of wealth and power.

The first wave of critics identified that threat. They decried it. But they could not muster the strength to thwart it. Momentary electoral advances might seat legislators who would enact a patina of regulation. But the protective veneer would be torn away as the robber barons repeatedly regrouped and shaped a Gilded Age where children were chained to machines, where women were burned alive in the shirtwaist factories of great cities, where workers who dared to carry a union card were gunned down, and where farmers were reduced to sharecropping peonage.
The pattern was so disenchanting that, as the nineteenth century gave way to the twentieth, there were those who imagined that the American experiment itself was finished, just as some imagine a similar circumstance today. It was easy to believe—especially as the Karl Rove of the 1890s, Ohio political boss Mark Hanna, established a “syndicate” of wealthy donors to dominate the nation’s electoral politics—that every unresolved question of policy would be resolved with an “end of history” calculus that peddled free-market fantasies to the electorate while clearing the way for swindling millionaires to gorge themselves on the carcass of America.

It might have ended there, but for the objection of the people—and their champions.

It so happened that, when Edward Ryan warned of that “new and dark power,” his audience included a teenager who would devote his life to seeing off the feudal serfs of corporate capital. Robert M. La Follette did not start a movement; he pulled together many movements that were already on the march, raised them up from the local to the national level, and energized them, using every tool that was available to him, including a magazine he originally called La Follette’s Weekly but that would eventually come to be known as The Progressive. Crusading with a righteous fury that was appropriate to an age of fearsome inequity, La Follette would become the primary exponent and most politically successful crusader for a progressive populist vision—far more sweeping than the cautious progressivism of Teddy Roosevelt—that effectively challenged the economic and political dominance of the robber barons. In combination with the socialists who voted for Eugene Victor Debs even when the great labor leader and anti-war activist was jailed, with the Wobblies who organized immigrant workers in the face of murderous violence, with a young A. Philip Randolph and the Harlem radicals who would merge labor organizing and civil rights organizing, with the radical suffragists who demanded that democracy be made real, with the constitutional reformers who rewrote the country’s founding document to establish the power to tax the rich, with the muckrakers who made journalism meaningful by exposing the high crimes and misdemeanors of the Gilded Age, La Follette and the progressive militants would reframe the political debate.

The populists and the progressives of the late nineteenth and early twentieth centuries recognized the need for a movement politics, visionary in its agenda and unrelenting in its demand, that would outline the policies to free the economy and the country from the oligarchs and their political pawns. Nothing that came afterward—the New Deal, the Fair Deal, or the War on Poverty—would have been possible if the lines of battle had not been drawn by those who recognized what was at stake and who insisted that “the people shall rule.”

It is important to put the political and economic reformers and radicals of the early twentieth century in perspective. They were not superheroes. They were frequently defeated, marginalized, and threatened with political ruin, censorship, and jail. Yet they persevered.

As a young governor, La Follette turned Wisconsin into what Supreme Court Justice Louis Brandeis would refer to as a “laboratory of democracy.” As a Senator, La Follette led a progressive bloc that successfully championed constitutional amendments to elect (rather than appoint) senators, to establish the framework for progressive taxation, to extend the franchise to women. Ultimately, he would mount the most successful leftwing Presidential candidacy of the era: a 1924 Presidential bid that earned the support of the labor movement and the Socialists, as well as the NAACP and advocates for women’s rights.

The campaign won almost five million votes—five times the highest previous total for a candidate endorsed by the Socialists. It carried Wisconsin, ran second in eleven Western states, and swept working-class wards of New York, Cleveland, and other major cities—setting the stage for the rural–urban populist coalition that would empower the New Deal.

Yet, La Follette lost in 1924, and he died the following year. All he left behind was an understanding, broadly if not yet universally accepted, of the necessity of fundamental change: constitutional reforms, a radical rethink of the role of government, a willingness to identify the malefactors of great wealth for the threat they posed not merely to economic fairness but to democracy itself.

It would turn out that this understanding was what mattered. The locally successful but nationally failed campaigns of La Follette, Debs, and hundreds of other progressives, socialists, and radicals of sundry stripes broadened the definition of electoral politics. It was no longer just a game of parties and candidates, positioning themselves for advantage. It was competition for power, the power to shape a nation that would serve a privileged elite or the great mass of citizens. This broad understanding of the real reason why power is sought—for the purpose of curtailing or extending democracy, for the purpose of constraining of encouraging the will of the people—is
transformational. The platform of La Follette's 1924 Conference of Progressive Political Action began with a declaration: "For 148 years, the American people have been seeking to establish a government for the service of all and to prevent the establishment of a government for the mastery of the few. Free men of every generation must combat renewed efforts of organized force and greed to destroy liberty. Every generation must wage a new war for freedom against new forces that seek through new devices to enslave mankind."

It really is that simple. When citizens come to understand that their advocacy on behalf of the public interest must be every bit as steady, every bit as permanent as that of the robber barons on behalf of their own self-interest, then movements extend beyond candidates and parties. They do not end with an election, no matter what the result. They are on alert. They are at the ready.

So it was that, when the economic injustice and instability of the roaring twenties reached a breaking point with the collapse of 1929, Franklin Roosevelt and his liberal Democrats, along with the Progressives of Wisconsin, the Farmer-Laborites of Minnesota, the American Labor Party activists of New York, and myriad local and state movements that often traced their roots to the 1924 campaign, would forge a New Deal coalition that historian Bernard Weisberger says "completed the elder La Follette's work."

The heart of the matter was FDR's recognition, at many turns but especially in a remarkable speech of October 1936, of the truth that fundamental choices had to be made in order to establish liberty and justice for all. And that those choices needed to err not merely in favor of economic democracy but of democracy itself. Roosevelt did not imagine a new threat; he identified "the old enemies... business and financial monopoly, speculation, reckless banking, class antagonism, sectionalism, war profiteering." If unchallenged, he warned, those interests would quickly begin "to consider the government of the United States as a mere appendage to their own affairs."

And then he spoke this truth of his time, and ours, when he denounced "government by organized money."

It was with that understanding that Roosevelt was able to "complete" the elder La Follette's work—for a time. Now, it must be completed again.

The robber barons have always been with us. They have grasped, and they have been turned away. They have grabbed, and they have been slapped back. They have corrupted the process, and the people have purified it. But the robber barons have never stopped scheming, across generations and centuries. That is their strength. They do not blink, and they do not stop. They know that it is possible to make government an appendage of their own affairs. And they seek nothing less. The only question—and it is an open one today—is whether the people will recognize the threat, as our ancestors did, and respond accordingly. Surely, America has, with its multibillion-dollar election campaigns, its gridlocked government, and a "new normal" of high employment, low wages, and yawning inequality, reached the point where the response is necessary.

The outlines of a response are already evident, in the mass mobilizations at state capitals against austerity, in the Occupy Wall Street movement, in the elections of progressive populists and socialists to local posts, in the drive to raise the minimum wage to $15 an hour, in the mass movements to overturn the Supreme Court's assaults on democracy with a constitutional amendment that says money is not speech, corporations are not people, and citizens have a right to organize elections where the vote matters more than the dollar.

Elections cannot be seen as mere competitions for partisan superiority. If done right, they are what La Follette and Roosevelt waged: a fierce battle between the robber barons and those who would see them off. RoseAnn DeMoro is right when she says that, amid all the organizing, marching, rallying, and campaigning that is necessary every day of every year, Election Day must be understood as the point when we "send a message that our country does not belong to an aristocracy, and we will not accept their corrupted vision of our republic."

The volume needs to be turned up. The robber barons know they have the upper hand. Citizens must know this—and they must know that the people can prevail.

The mobilizations of the last century by progressive reformers, socialists, trade unionists, and suffragists provide us with the most essential American history. Citizens have beaten the robber barons before; they have trampled down privilege and made the promise of liberty very nearly a reality. And citizens must do so again—not repeating the precise battles nor employing the precise strategies of old, but recognizing the truth of the militant credo, as outlined by the radicals of a century ago and spoken by FDR eighty years ago, that "we have not come this far without a struggle, and I assure you we cannot go further without a struggle."

As Massachusetts Senator Elizabeth Warren puts it, "Some say the rich and powerful now control Washington and always will. I say this battle isn't over yet. True, the playing field isn't level and the system is rigged. But we're putting up a heck of a fight, and we intend to keep on fighting."

That's the spirit.
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