January 2008

Progressive Era

Richard Adelstein

Wesleyan University, radelstein@wesleyan.edu

Follow this and additional works at: http://wesscholar.wesleyan.edu/div2facpubs

Part of the Comparative and Foreign Law Commons, Constitutional Law Commons, Criminal Law Commons, Criminal Procedure Commons, Economic History Commons, Economic Theory Commons, Jurisprudence Commons, Law and Economics Commons, Political Economy Commons, and the Public Law and Legal Theory Commons

Recommended Citation

http://wesscholar.wesleyan.edu/div2facpubs/104

This Contribution to Book is brought to you for free and open access by the Social Sciences at WesScholar. It has been accepted for inclusion in Division II Faculty Publications by an authorized administrator of WesScholar. For more information, please contact dschnaidt@wesleyan.edu, ljjohnson@wesleyan.edu.
The Progressive Era

At the end of the Civil War in 1865, the United States was still primarily a rural and agricultural society. Business was conducted in local or regional markets by family farms and small firms owned and operated by single individuals or a small group of partners. The scale of production was modest, consumption for most was limited to life's necessities, and among white Americans, wealth was distributed without great gaps separating rich from poor. But by 1890, huge manufacturing corporations employing a succession of revolutionary new machines and processes had begun to create the modern American economy of mass production and consumption. Millions of farm workers had left the countryside for the cities to labor in the new industrial giants, and vast quantities of material wealth were being produced in the corporations and consumed by ordinary people across the country. With these rapid economic changes came an array of new conditions and problems that alarmed and confused Americans of the time: unprecedented disparities in the distribution of the newly created wealth, the transformation of previously independent, entrepreneurial artisans and merchants into wage-earning workers in large, hierarchical organizations, a growing industrial proletariat increasingly composed of impoverished immigrants crowded into urban slums, and the disproportional, often corrupting influence of wealthy industrialists in the political system. The political reaction provoked by these economic and social changes in the years between 1890 and the First World War defines the Progressive Era, a quarter century of reform in which Americans attempted to adjust their traditional system of political economy to the new realities of the industrial age.

The first and most important of these reforms was the Sherman Act, passed in 1890 in the midst of an impassioned national debate over whether and how government ought to be used to rein in the trusts, as the huge corporations came to be called. Some, pointing to the ever lower cost at which the trusts could produce enormous quantities of goods, argued that they were the inevitable outcome of technological progress and should be allowed to grow as large as necessary to efficiently meet the demand of consumers in the market. Others cited the growing market power accumulated by the trusts as they insatiably swallowed smaller firms, the deadening effects of hierarchical corporate planning on individual autonomy and initiative, the closing of entrepreneurial opportunity in now highly capital intensive industries, and the corruption bred by the infusion of great private wealth into democratic politics, and called for strict government
regulation or outright destruction of firms that had grown too big. Unable to reconcile these sharply opposing positions in a clear or coherent policy that could command a legislative majority, Congress avoided resolving the issue by passing a terse, vague statute that made "restraint" or "monopolizing" of commerce a criminal offense and leaving it to the federal courts to decide what this actually meant, and thus what the policy of the United States toward the trusts and the new economy they heralded was to be. After more than twenty years of uncertain interpretation, during which both positions had their moments in the judicial sun and the nation endured a major economic depression and a wave of industrial consolidation in its wake, the Supreme Court in 1911 at last decided in favor of bigness fairly won in the market. In dismantling John D. Rockefeller's Standard Oil Company because of its "unreasonable" competitive behavior, the Court held that the mere size or market power of a corporation, no matter how great, would not violate the Sherman Act unless, like Standard Oil's, it was achieved through unfair or abusive means. This was the pivotal political outcome of the Progressive Era; once the decision for efficient wealth creation in large, hierarchical firms had been made, all that remained was to create the machinery of government needed to administer the policy and ameliorate the harsher economic and social consequences of large-scale industrial organization.

Given the weakness of the federal government created by the Framers a century before, the movement to achieve this adjustment began in the states and municipalities and was pursued on several fronts. The judicial acceptance of bigness and justifiable monopoly was complemented by local legislation to regulate the rates and operation of public utilities. The settlement house movement, led by Jane Addams of Hull House in Chicago, addressed the problem of urban poverty by attempting to meet the everyday needs of the poor through close contact with sympathetic social workers. It and the Social Gospel preached by religiously inspired progressives moved others to press successfully for state laws limiting hours of work and enforcing safer and healthier working environments in a broad range of industries, though many of these were struck down by the Supreme Court for infringing upon a "liberty of contract" the Court had read into the Fourteenth Amendment in 1897. To progressives, these new responsibilities for government seemed also to require an extension of democracy itself, a political process more open and receptive to the public's needs and less responsive to the partisan maneuverings and patronage characteristic of local politics. In several states, procedural reforms such as direct party primaries, public referenda and ballot initiatives, and the recall of public officials were instituted, and cities began to replace unsystematic government
Progressive Era

by party politicians with scientific administration by nonpartisan, expert city managers and commissions. The movement for women's suffrage gained strength throughout the period, culminating in the ratification of the Nineteenth Amendment in 1920. On the national level, the Seventeenth Amendment, ratified in 1913, moved the election of United States Senators from the state legislatures to the voters themselves. The protective tariff, the federal government's chief source of revenue but seen by many as primarily a device for enriching the trusts, was significantly lowered and the nation's finances revolutionized by the introduction of the income tax in 1913. And the spectacle of Theodore Roosevelt imploring J. P. Morgan to save the nation's financial system during the Panic of 1907 eased the way for the creation of the Federal Reserve system six years later.

Reform had its darker side as well. The moralistic tone of many progressive reformers encouraged an element of coercion and social control in their proposals, illustrated by the temperance movement that succeeded in imposing Prohibition in 1920. For many, progressivism also entailed a commitment to racial purity and cultural homogeneity, and with it a large measure of racism. Taking their lead from Roosevelt, progressives facing resistance from southerners fearful that a national government powerful enough to regulate industry would also be powerful enough to enforce racial integration bought their cooperation by turning away from the plight of African-Americans. Several leading progressives traced the nation's problems and the frightening specters of socialism and anarchism directly to the influx of immigrants from eastern and southern Europe, increasing sentiment for closing the borders that led to the sharp restrictions on immigration enacted early in the 1920s. And after the easy victory over Spain in 1898, the nation flirted with what supporters saw as a benevolent imperialism until a revolt in the Philippines exposed its costs and contradictions. Commitment to the "public interest," the elusive concept from which the progressive movement drew its moral inspiration and political strength, created a space large enough to include both friends of freedom and their illiberal opponents.

Indeed, the ideological primacy of the public interest has been the most important and permanent legacy of the Progressive Era. Before the Civil War, Americans generally understood political order in Lockean terms. Legitimate authority was the product of an agreement among free individuals whose validity depended on the continuing consent of those it bound. The state itself had neither life nor purposes of its own, but was simply an organizational device with limited powers created by individuals to promote
their own welfare. But by 1900, through the efforts of such progressive intellectuals as John Bates Clark, Lester Ward, Richard T. Ely and the young Woodrow Wilson, this view had largely been supplanted by a democratic collectivism in which, like the German model that inspired its proponents, the individual was but a cell within the larger organism of society and the authority of the democratic state to articulate and act upon the interests of the living collective was unbounded. The success of the great corporations in harnessing the labors of thousands and turning them to the achievement of single purpose drew progressive reformers to a distinctively American ideal of scientifically informed control of social and political life in the service of a collectively defined public interest. Politics, as Wilson put it in 1887, could now be separated from administration; just as scientifically trained managers could rationally pursue profit in the interest of the corporation, the institutions of democratic government could be devoted to identifying the interests of the social organism, and a corps of disinterested, expert administrators, equipped with the conceptual tools of the emerging social sciences, charged with furthering them. It was this commitment to nonpartisan, scientific administration in the public interest that united the many strands of progressive reform, and if many of the specific reforms of the period have proven ephemeral, the influence of the managerial vision through the twentieth century has been continuous and profound.

Richard Adelstein
Wesleyan University

Selected Bibliography


