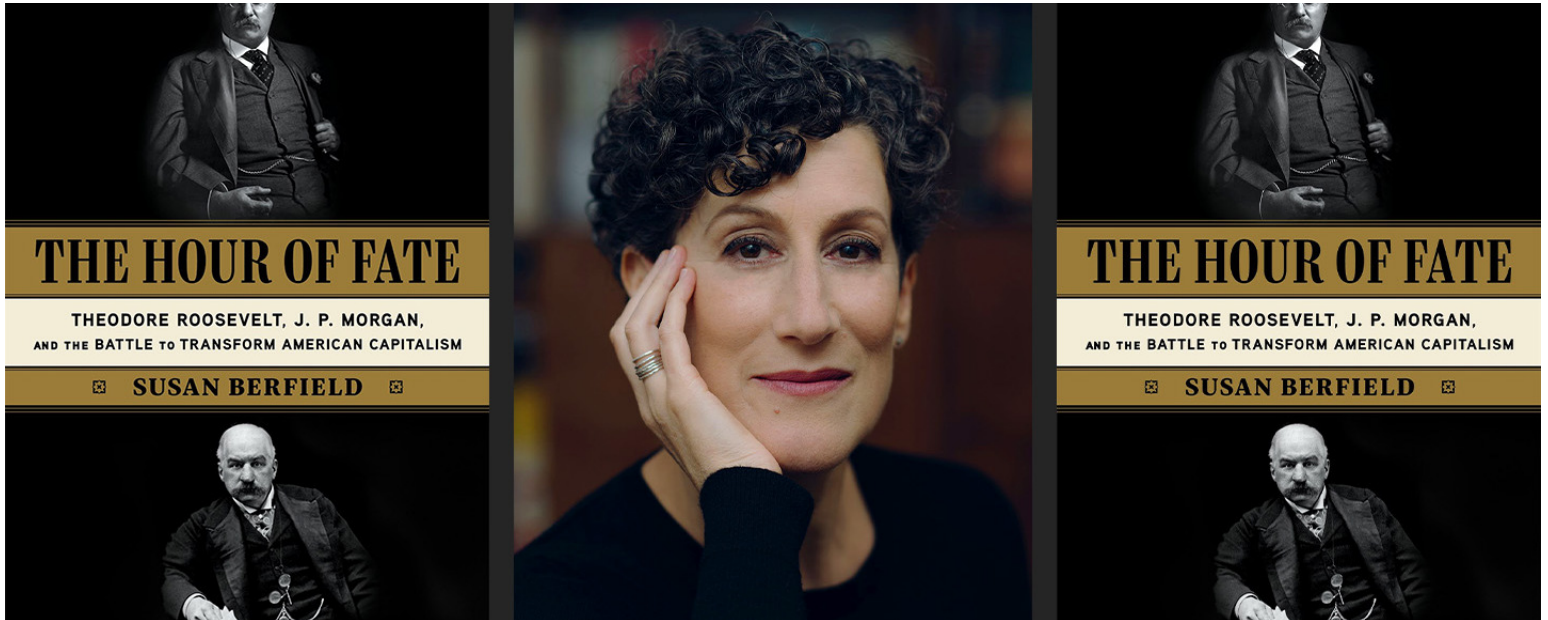


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THE EXCHANGE EXCHANGE

Power and Progress in “Hour of Fate”

BY TODD VAN LULING

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COMMENTS 0

The Exchange Exchange is Todd Van Luling’s new conversation series with authors of recent economics books.

Economic inequality has been a primary focus of economics over the last few years in the United States. Democratic candidates made the subject a campaign focus, newsrooms added inequality-focused desks, and multiple books on the topic found spots on The New York Times bestseller list.

Susan Berfield’s recent addition to this growing canon, “The Hour of Fate,” focuses on how President Theodore Roosevelt fought economic inequality by taking on powerful business leaders and Wall Street. Berfield uses detail-rich narratives to illustrate the nitty-gritty of the fight, illuminating what worked and potential pitfalls in the path to progressivism—making her book especially relevant as the upcoming presidential election nears.

Our initial email exchange took place in May. The world has changed since this initial conversation. A white police officer killed George Floyd, and the United States has subsequently had a long-overdue reckoning with various facets of its racist history.

One of these re-evaluations has involved a statue of Theodore Roosevelt in front of the American Museum of Natural History in New York City. The racist statue depicts Roosevelt on a horse and with a Native American and a Black man standing below him in a clear hierarchy. The city approved the museum's request (<https://www.nytimes.com/2020/06/21/arts/design/roosevelt-statue-to-be-removed-from-museum-of-natural-history.html>) to remove the statue, although it has yet to come down.

After our initial conversation, Berfield reached out over email with a comment supporting the removal of the Roosevelt statue:

“I agree that the statue of Theodore Roosevelt high on his horse with a Native American and an African in subordinate positions should be removed from the entrance to the American Museum of Natural History. And I think the discussion that decision has prompted about Roosevelt himself is important. He left a complicated legacy: he shared hateful ideas about white superiority but as president promised a square deal for all Americans, tamed corporate power, and made the country more just. In the end, though, I think it's fair to say that the Progressive movement disappointed most African-Americans.”

My conversation about “Hour of Fate” with Berfield:



Todd Van Luling

Your book starts with the assassination of President William McKinley, the third successful assassination of a president in less than 50 years. In the uncertainty that followed, both business leader J.P. Morgan and then Vice President Theodore Roosevelt needed to convey stable leadership to the American public; to keep the public's faith in capitalism and democracy, respectively. Can you talk about that challenge in such a chaotic time of violence?

Susan Berfield

William McKinley was visiting the Pan-American Expo, staged to show America's new prosperity and global ambitions, when he was shot by Leon Czolgosz, a disgruntled and unstable former factory worker.

In his last speech, McKinley said: “That all the people are participating in this great prosperity is seen in every American community.”

In his last statement before he was executed, Czolgosz said: “I shot the president because I thought it would help the working people and for the sake of the common people.”

Naturally the country was on edge. Roosevelt didn’t want to endanger America’s economic prospects—or upset its business leaders—so on the day he was sworn in, he promised to continue McKinley’s policies and retain his conservative cabinet. McKinley’s closest advisor cautioned Roosevelt to “go slow.”

And Roosevelt seemed to agree. Morgan, who had created U.S. Steel, the world’s first billion dollar company just months earlier, was also concerned about the economy as well as the stock market. Wall Street needed to hear from him, and Morgan wanted to restore investors’ confidence.

He didn’t make many public statements, but that September he said: “While it was a great shock to all, I do not think business interests will be affected. Our Government is sound and prepared for great emergencies.”

Then he returned to his deal making, and two months later announced the creation of the world’s second-biggest company, a railroad colossus called Northern Securities. Roosevelt, meanwhile, used his State of the Union speech in December to speak more directly to the anxieties that he feared could lead to social unrest.

Todd Van Luling

In a previous interview, you spoke about focusing on how power can fight against inequality. What were a few ways *The Hour of Fate* explores this?

Susan Berfield

Roosevelt used the power of the presidency, and the federal government, in ways no one had before. In his first year in office, anthracite coal miners went on strike. They were the essential workers of their time—working in dangerous conditions for low pay. As millions of people were threatened with a winter of misery, Roosevelt intervened.

He didn’t send in troops to put down the strike, as other presidents had. He invited the union leaders and coal barons to Washington to try to settle the strike. Roosevelt also brought an important antitrust case against Northern Securities, which dominated rail traffic in the Northwest. No one as prominent as Morgan had ever been held to account before.

Todd Van Luling

Throughout the book, you make sure to include story-building details such as a flock of crows flying over the house McKinley spent his last hours in. How did you go about collecting these details?

Susan Berfield

I wanted *The Hour of Fate* to be vivid and compelling, and I know from my years as a journalist how important small, but telling, details can be. So I looked for them everywhere: in letters, newspaper articles, weather reports, published accounts from people at the time.

Todd Van Luling

President Roosevelt was a celebrity president of sorts, but his own party barely embraced him at the time. Could you talk about the balance between the president working public opinion versus the entrenched powers?

Susan Berfield

Roosevelt understood his hold on people and the power of his bully pulpit. He also understood how to work with a Republican party that tolerated him only because of his popularity. He was an exuberant presence and drew all sorts of people to him—and then absorbed their expertise and advice. He didn't always use it or accept it, and he didn't get everything he wanted from Congress, but I think even his critics admitted that he listened to them. And in his many speeches, he tried to find a balance between progressive and conservative ideas and to assure the wealthy and powerful that he would be fair.

“Our aim is not to do away with corporations; on the contrary, these big aggregations are an inevitable development of modern industrialism,” he said in 1902. “We are not hostile to them; we are merely determined that they shall be so handled as to subserve the public good. We draw the line against misconduct, not against wealth.”

Todd Van Luling

Some of the book is devoted to showcasing that President Roosevelt had lavish tastes (and a wealthy background) despite his goal in fighting for the working class. Individual wealth versus political intent became a recurring theme in the recent Democratic Presidential Primary. Was it intentional to show an example of a politician regulating inequality while not living a working-class lifestyle?

Susan Berfield

Roosevelt came from a wealthy New York family, seven generations in the making. When he was a student at Harvard, his annual allowance was bigger than the university president's salary. But by the time he reached the White House, he had a big family to support on an inheritance that had shrunk considerably after a failed investment in cattle ranching out West.

He was still well off, but he didn't live extravagantly by Gilded Age standards. No one held his pedigree against him. He did get criticized for spending several hundred thousand dollars to renovate the White House—and for building a tennis court on the lawn. What was most interesting to me, though, was how someone like him came to be a champion for the working class.

Todd Van Luling

You tell the story of President Roosevelt vetting Oliver Wendell Holmes Jr. for the Supreme Court specifically for the case Northern Securities Co. v. United States. Holmes ultimately ruled against Roosevelt's side in the case. From your reporting, did you get the sense that presidential Supreme Court decisions were less successful in creating partisan results at this time?

Susan Berfield

Justice Holmes' decision in the Northern Securities antitrust case was a surprise and bitter disappointment to Roosevelt. The government did win, but the ruling was close, five to four. Holmes was the only Republican justice who sided with the Democrats. At that time, it was unusual for such an important case to be decided with such a slim margin. More often, the justices were in agreement—or one justice in particular, John Marshall Harlan, dissented.

Todd Van Luling

Much of the book focuses on the role of unions in thwarting monopoly power. Do you see parallels to the renewed hope for union power today?

Susan Berfield

Not really. The very biggest companies—not all of which have monopoly power—have nonetheless been pretty effective at keeping their workers from unionizing. But we've all heard labor activists calling for change at such companies as Amazon, Walmart, and McDonalds, and they've achieved some modest success. Mostly they've raised awareness of the need for a higher minimum wage, paid sick leave, and affordable health care, especially these days.

Todd Van Luling

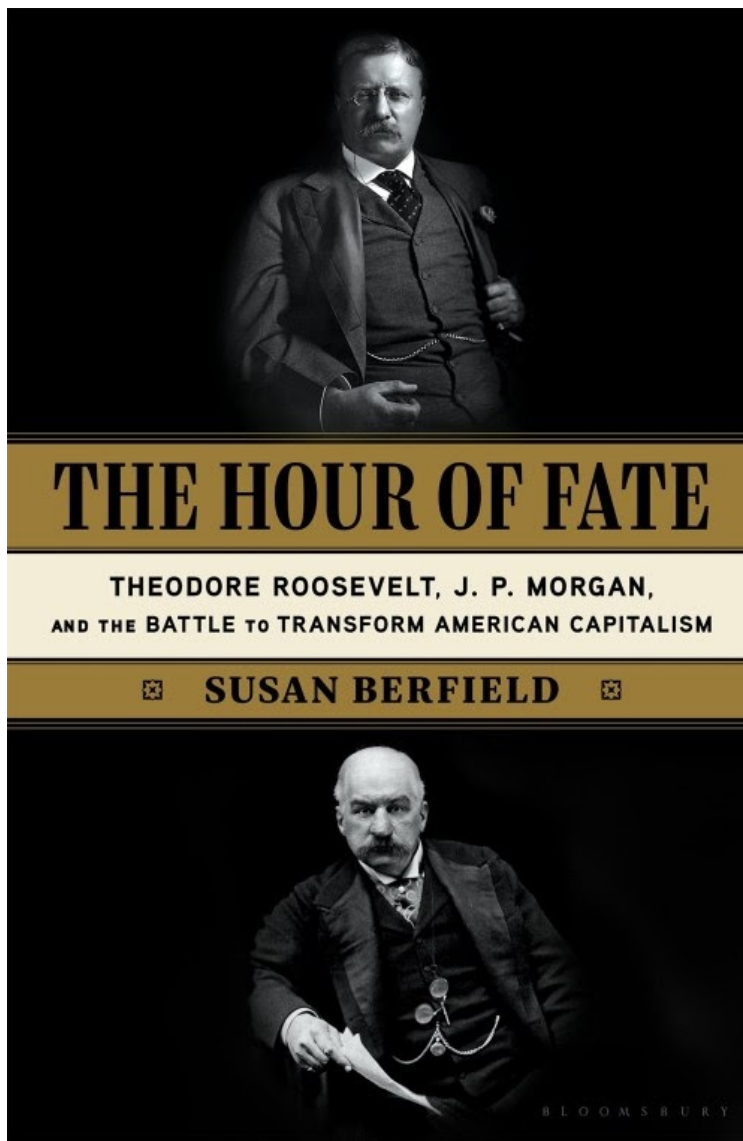
It looks as if the government may file an antitrust case against Google. Can the stories in *Hour of Fate* help explain this current situation?

Susan Berfield

What's interesting about looking at the Northern Securities case today is that Roosevelt's attorney general and other government lawyers argued that the danger of a monopoly wasn't necessarily that consumers would have to pay higher prices. It was, as one said, that a monopoly's powers were "infinite in scope, perpetual in character, vested in the hands of a few," and may be exercised "by methods secret even to stockholders." If we consider the tech companies under scrutiny, the criticism isn't of the prices they can charge. Google and Facebook are free (though we pay with our data.) Amazon offers low prices and fast delivery.

But these companies have extraordinary power to force out, or buy up, rivals. They exercise control over their markets, workers, and consumers. After the government's victory in 1904, the headline in one paper was "Merger Decision People's Triumph."

This interview has been edited and condensed for clarity.



Nonfiction

The Hour of Fate (<https://bookshop.org/a/318/9781635572490>).

By Susan Berfield

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