

1. INTRODUCTION

Adaptation to change is one of the most remarkable phenomena of living things. Many are capable of adaptation to fantastic changes in temperature, pressure, humidity, diet, and other external factors. But every living thing has some conditions which must be met within very narrow limits, or it will die. Human institutions often parallel these abilities. Many are capable of adaptation to great changes which were never contemplated when they evolved. But like humans, there are some elements of their environment which must remain unchanged or they cannot survive. The trouble is that unlike a living being, institutions don't die overnight if their air is removed. They often try to adapt by grafting on new appendages or changing their external appearance. In this manner, they may linger for some time, in what is apparently a healthy, if somewhat comatose state, while society tries to develop substitutes to take its place.

When the factory system in the modern sense began to evolve in the late eighteenth century, it did so in the presence of a society and institutions almost totally incompatible with the factory system. Basically, the pre-industrial society was aristocratic in nature, attuned to agriculture and limited trade and primitive craftsman-oriented manufacturing, and with the role of government sharply limited. It can best be described as a paternalistic society, devoted to the maintenance of hereditary privilege, grudgingly accepting of the position of the middle class, copying government so much today. The factory system could not thrive in this environment. It needed on the one hand considerable support from government in the form of improved transportation and communication, actions to ensure an uninterrupted flow of raw materials, assistance against foreign competition during infancy and aggressive international policies to capture foreign markets after the infancy period. It also needed a government that would cease preoccupying itself with the rights and privileges of a landed aristocracy and its allied merchant class and would act in the areas of banking, currency, business law, and allied subjects. But, on the other hand, it wanted government to continue its policies of neglect of social welfare, hostility to combinations of workers, non-interference in wages and prices and combinations in restraint of trade, in essence a continuation of the paternalistic system of the past in which the rich were given a free hand to do as they pleased as long as they didn't act to the detriment of the government.

In the beginning, they more or less achieved their goals. They left the remains of a no-longer compatible agricultural society, and on it they grafted the new organs of a business-oriented society. Unfortunately, the factory had also created far more social change than merely replacing craftsmen with machines. It had also permanently altered the conditions under which the old paternalistic aristocratic society could survive. The new hybrid institutions looked healthy, but underneath them seethed unrest so great that they couldn't possibly survive. But the hybrid died hard. Apologists tried manfully to justify this new double standard of government interference for the rich and inaction for the poor by citing natural laws. For this was the age of the enlightenment and men were still seeking answers according to Newton's principles that everything could be explained through natural laws. They were desperately avoiding the changes that were necessary in society to enable it to come to some form of equilibrium. Instead, they hoped that by rationalizing a state in which they had unlimited privileges, somehow an unstable state could be prolonged forever.

As we know, this did not happen. There were other responses to the abuses and privilege of the factory system, responses which attempted to point the way to a new position of equilibrium in which a better balance would be struck. The responses ranged from liberalism in which the government attempts to restore a balance by intervening when abuses arise and by preventive actions in social areas, through attempts to articulate utopian plans based on combining the abundance of the factory and an elimination of the competitive spirit that was seen as the source of the troubles, to attempts to remake the total structure of society and its institutions based on the new relationship of man and the machine. These are the same responses we see in the world around us today. But they were a long time coming, so long that it is possible none of them can really work to resolve all of the problems.