

## From Populism to Socialism and Back

**Socialists and populists have found plenty to disagree about over the years, from private property to trust-busting. But their shared commitment to fighting corporate power often brought them together — and it should today, too.**

Eugene V. Debs making a speech from a stage, unknown date between July 1912 and September 1918. (Library of Congress)

Can populists and socialists ever be friends? Daniel De Leon, leader of the Socialist Labor Party and longtime spokesman of the American left, certainly didn't think so. In a 1910 entry for his (ironically named) magazine *The People*, he saw an unbridgeable gap between the two groups on a number of issues, ranging from wage legislation to rail nationalization. Populism, to De Leon, was a "false movement" that "proceeded upon lines of ignorance." As he [wrote](#) after the movement's defeat in 1898:

Good-bye, Populism, good-bye, thou wert an exhalation of the dead past. The present struggle of Civilization is not between WHAT IS and WHAT WAS; it is between WHAT IS and WHAT WILL BE.

De Leon's sternness can be misleading, however. In the late 1890s and 1900s, American populists and socialists actually found plenty of things to agree upon. The first Socialist Party of America (SP) was founded [by a group of Populists](#) disillusioned by the People's Party fusion with the Democrats (miserably defeated in the 1896 presidential election). As a candidate for the presidency, Socialist [Eugene V. Debs](#) consistently received his highest tallies in rural areas. States such as Minnesota and Virginia prided themselves on energetic worker-farmer alliances in the 1920s. In 1924, the Socialist Party endorsed the Wisconsin populist Robert La Follette's presidential run.

Bolshevik journalist John Reed even admitted populism's merits. [In 1912](#), he claimed that it "had always been on the side of democracy," mainly when defending policies such as the "destruction of private monopoly and the referendum."

There was no denying that populism and socialism shared an ideological bloodline. Unlike European social democracy, Populism was not born in the city or of the company town. It [sprung out of](#) the Great Plains and the rural South, in a post-plantation economy dragged into the vortex of the global cotton market. Falling prices, high railroad fees, rural debt, and corporate malfeasance fueled its rise, coupled with early suffrage extension and large church networks. American socialism built on this rural heritage, although it displaced the center of gravity to more proletarian and urban elements.

The relative symbiosis between populism and socialism did not go unnoticed in Europe. [Karl Kautsky](#), Europe's "pope of Marxism," celebrated the American peasants' rebellious attitude and [looked forward](#) to the day that "American farmers and wage workers would be welded together into one party." All of this spoke in favor

of a populist-socialist rapprochement.

The *degree* of agreement was never clear, however. Attempts at populist-socialist coalitions often foundered on questions of ideology and organization, or personal politics. Nonetheless, populists and socialists also remained allies in struggles for democracy and against corporate power. With populism and socialism again in the air, the question of how these alliances failed and succeeded is instructive for thinking about left politics today.

## Private Property

The first point of disagreement between populists and socialists spanned the old and contentious issue of private property. Populists had always been unapologetically pro. Indebted to an older Jeffersonian tradition, the “Pops” saw a small plot of land and farming tools as the cornerstone of any [republican order](#).

Even in the 1890s, there was a strong whiff of nostalgia to this. In 1898, following several decades of industrial expansion, [the Populist newspaper the Arena](#) still claimed the only solution to the United States’ unemployment crisis was for the American people to “betake themselves to agriculture,” “man’s original and most natural occupation.” The United States’ surplus population had to again “settle on the land” with “ordinary industry and moderate capital,” making possible the “most independent life that any man can lead.” In agriculture, after all, “monopoly could not exist.” That this required [frontier expansion](#) and expelling indigenous people went unmentioned — nor was it clear what legal means were to be used.

There was another unsettling side to this love of private property. Populists celebrated the petty farmer and yeoman, but often pushed aside workers that had been dispossessed of property altogether: black sharecroppers, smaller tenants, convicts, and wage laborers (the latter group still small in the 1890s, but [nonetheless politically portentous](#)). They overlooked the conditions for the independent farmers’ earlier existence, which required a strong American state that could conduct settler warfare. It was for this reason, after all, that De Leon saw the People’s Party as a “party of the past.”

## The Corporation

A second point of disagreement concerned one of the main legal innovations of late-nineteenth-century capitalism: the corporation. As organizational units, corporations dated back to the early Republic, formed on the initiative of the government and dispatched for tasks the private sector was ill equipped to handle. “Chartered” corporations, for instance, were set up to build tollgates, canals, bridges, ferries, and state banks. Although powerful entities, they rarely moved without state supervision and owed their grants to governments.

The 1850s drastically altered this relationship. Courts and legislatures steadily eased the restrictions on corporate formation, fostering a proliferation of corporate bodies — the start of the so-called “[free incorporation regime](#).” Corporations could now count as “persons” without the state’s initiative. This proved particularly bothersome to small

farmers: corporate forms were favored by railroads, grain stores, and banks, who often controlled rural commodity flows. “In the tremendous oppressiveness of our System,” the Populist politician Thomas E. Watson declared in [an 1891 campaign speech](#), “the chief factor of cruelty, greed, corruption and robbery is the Corporation.”

The Populist response was aggressive trust-busting and regulation, expressed in landmark laws like the Sherman Antitrust Act of 1890, the Interstate Commerce Act of 1888, and the Clayton Antitrust Law of 1914. Muckrakers like Henry D. Lloyd, [Louis Brandeis](#), and [William Jennings Bryan](#) became the cause’s main evangelists, all seeing antitrust as part of the fight against the “wall of money” erected in the Gilded Age.

Populists’ opposition to the corporation was not just economic — they also objected to corporations’ separation of “ownership” and “control.” Corporations were owned by a group of shareholders who held the stock. Unlike family businesses, however, these shareholders did not manage the firm — that task was left to a new group of supervisors who “controlled” the company.

This [severing of “property” and “control”](#) disturbed populists. For one, it implied that men without an attachment to land would be in charge of production — an arrangement they simply couldn’t stomach. Behind complaints about the corporation’s “artificiality” and “soullessness” also stood a fear about the decline of small proprietorship in America. Was America to be a nation of farmers or hirelings? Was “wage slavery” or independence its future? Was its production to remain regional or transnational, global or local?

European socialists had a thoroughly different view. Shortly after American Populism’s defeat in the 1896 presidential race, theorists affiliated with the major socialist parties launched the so-called “socialization debate,” which took up questions about the state of capitalism around the turn of the century. Rudolf Hilferding and Eduard Bernstein observed early signs of a [“monopoly capitalism,”](#) with a small group of firms beginning to control the economy as a whole.

This was no departure from the norms of capitalism, they insisted. On the contrary: the rise of the corporation marked the *intensification* of trends inherent to the market economy, where private appropriation became ever more tied to “social” production. The spread of bond-buying across the population paid testimony to this process. Even populists had to acknowledge the corporation’s logistical advantages. A division of labor between directors, managers, shareholders, and employees allowed these new businesses to raise massive funds and coordinate enormously complex tasks (the construction of America’s railroad network both appalled and amazed populist theorists).

Socialists were more openly enthusiastic about this process. As Lenin would later [argue, in 1916](#), corporate capitalism had simply transformed “competition into monopoly,” bringing about “the socialisation of production.” New profits were now “captured by gigantic monopolist associations,” dragging older “capitalists, against their will and consciousness, into some sort of a new social order.”

Corporate giants, in turn, could not only afford marketing departments and planning bureaus, but they also had new legal means at their disposal to integrate larger masses

of workers. Rather than concentrating ownership in a single individual — the factory owner — the corporation spread property rights across the population. Consequently, it universalized risk. This made it easier for socialists to take over complex economies of scale. Against “small is beautiful” populism, Leninists hoped that the corporation would create a truly massified work force. Eugene Debs, though more inclined to lament the destruction of the small producer, insisted on the need for a “cooperative commonwealth,” where the fruits of industrial capitalism would be distributed to workers rather than capitalists. The solution, according to Debs, was industrial democracy, not small-producer capitalism.

The populist position had its advantages. In addition to providing fuel for the broader anti-corporate fight, the United States’ rich antitrust tradition [protected](#) its petty bourgeoisie from a move to monopoly in the 1920s, arguably weakening its attraction to fascism. (Germany never had a coherent antimonopoly movement, condemning its lower middle class to pauperization in the 1920s.)

But it also considerably narrowed the scope of social reform. As critics like De Leon pointed out, there was no guarantee that a non-monopolistic market implied a better deal for workers. The inflation that populists desired would likely mean price hikes for cities. Lower transportation costs for farmers carried the risk of depressing wages for railway employees. And competitive markets plus strong private property rights placed the interests of capitalists ahead of workers. In short, there was no guarantee Populist prescriptions would benefit a left project.

## A Cautionary Tale

Fault lines between populism and socialism became ever more visible after Populism’s defeat in 1896. In the 1900s, the most well known of socialism’s Populist opponents was the Georgia politician Tom Watson. After a series of failed presidential campaigns in the 1890s, Watson rebranded himself a popular historian and landowner (by 1905, he was estimated to be one of Georgia’s largest). Although Watson shared socialists’ revulsion at America’s “industrial serfdom,” he [vehemently disagreed](#) with the aims of their program, calling it a “recipe for disaster.” Decrying the “parasites” that bilked the “producers,” he instead advocated unseating small oligarchies and fostering moral regeneration. He paired this with legalistic fixes: plebiscites, petitions, constitutional reform. Watson might have hated the large corporation, but he wasn’t about to budge on his pro-private property rights line.

Watson’s [producerism](#) also had some technical shortcomings: it lacked any cogent explanation of the boundary between “producer” and “parasite.” Should it include the yeoman, the enterprising gentry, the salaried worker, the manager, or all of these? Did the unemployed qualify for the label at all?

Even more pernicious was Watson’s penchant for using populism for reactionary ends. Watson’s opposition to socialistic reforms occurred against the backdrop of shifting property relations in the South, where an increasing number of workers were sliding from tenantry into supervised wage labor. A facile opposition between “producers” and “parasites” enabled Watson the landowner to coerce his black workforce and trick white workers into thinking Jim Crow was to their benefit (all

while [disenfranchising](#) them through poll taxes). In the absence of a critique of political economy, the ex-Populist became a Southern revanchist. Watson is an extreme example. But the danger of anti-corporate populism being used for less than progressive ends holds for today's trust-busting efforts. As Seth Ackerman [notes](#), anti-corporate rhetoric can easily be appropriated by ambitious managers who want to use the outrage of concerned citizens to strengthen their hand against shareholders. But the alternative to a world where "shareholder value" is business's sole aim is not increased managerial discretion. The alternative is more rights for workers and consumers.

## Populism vs. Socialism Today

Leigh Phillips and Michal Rozworski's [People's Republic of Walmart](#) (2018) hopes that the ambitious planning done inside today's multinationals can [prefigure](#) a fresh form of socialist politics. Inheritors of Lenin's "soviet of engineers," they see Walmart's supply chains as a liberation from irrational markets. Aaron Bastani's [Fully Automated Luxury Communism](#) (2019) imagines a similar world of [hyper-abundance](#), where all of humanity levels up to the state of a Californian Google employee. Others abhor these modernist visions. Latter-day populists like [Christopher Lasch](#), [David Goodhart](#), and [Alasdair MacIntyre](#) argue for a scaling down of decision-making to regional levels and returns to small-scale production. Massachusetts senator Elizabeth Warren has also revived part of the trust-busting tradition for the age of Amazon and Google, drawing on the anti-monopoly proposals of the First Gilded Age as part of her ambitious effort to rewrite the rules of the American economy. Populism and socialism still have [different social bases](#). While Sanders's backers are generally young and lower on the income scale, Warren "[sells populism to professionals](#)": her backers tend to be older and richer. Sanders's support is also markedly higher with African-Americans; Warren's rating hovers around 9 percent. Yet the possibility for coalition building — while retaining the critique of capitalism — remains. As [Kevin Olson notes](#), the challenge "is to navigate between two opposing tendencies that we see at work in the history of socialism: avoiding a nostalgia about lost moments of populist unity, while also finding a genuinely populist way to articulate these ideals within complex electoral systems and capitalist economies."

Socialist skeptics of joining hands with populists need only look to Marx himself. The Old Man lived in an age where the popular revolutions of 1789 and 1830 were believed to be extending across Europe "until it eventually succeeded at wresting control of society from narrow and undemocratic regimes." As [Chris Meckstroth](#) notes, Marx [cast himself](#) as a "theorist of this ongoing popular revolution," hoping that his writings on political economy would fuel a fuller emancipation than previously imagined. Not incidentally, the first time Marx was apprehended by Belgian police, he was bookmarked with a specific label. This man, the censors stated, was "a dangerous democrat."

Socialists around the turn of the century were also never shy about cooperating with populists when necessary. Although De Leon cajoled his SLP members not to

cooperate with Populists, they didn't always oblige. In the 1890s, the SLP and Populists helped each other win elections to local posts, while fusions between both parties took place in Chicago and Cleveland. Eugene V. Debs himself visited Thomas Watson's vigil in 1922, calling him a "warrior for the common people."

The most successful of socialist uprisings always reckoned with this populist dilemma. Lenin was clear about his alliance with the peasantry, later acknowledging his debts to the Russian populists (Narodniki) for [Russia's rural question](#). Scandinavia owes its robust welfare states to [a pact between rural smallholders and urban workers](#). The Left's most bitter failures — the 1918–19 German Revolution, France's 1848 — often stemmed from [missed attempts](#) to unite the working classes and the peasantry. These failed at the work of transforming "masses" into "classes" and "classes" into "masses," missing their appointment with history.

And the populist question won't go away today. The question of popular sovereignty and democracy continues to haunt capitalism, with collective agency further pulverized by the march of the market. As long as it does, the populists will remain popular. And as with capitalism, the only way *out* of populism seems *through* it, long before De Leon talked of its "breathtaking stupidity."