

# The Commoner.

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## CONTENTS

TRUSTS AND THEIR TREATMENT  
FUTURES  
FRIGHTENED AGAIN  
"REASSURANCE" NOT NEEDED  
THE DEMOCRATIC POSITION  
GOVERNOR WOODRUFF  
TRIAL OF MOYER AND HAYWOOD  
MR. BRYAN IN NEW ENGLAND  
LETTERS FROM THE PEOPLE  
WASHINGTON LETTER  
COMMENT ON CURRENT TOPICS  
HOME DEPARTMENT  
WHETHER COMMON OR NOT  
JUDGE HOBSON ON MONOPOLY  
NEWS OF THE WEEK

### FUTURES

The Wall Street Journal is becoming uneasy. It says: "For centuries the supreme question was how shall the great majority secure liberty and equality of opportunity against the power of the small privileged minority. The time may come when the problem will be reversed, and when the question shall be how to preserve the rights of the small minority against the power of the great majority. Looking at it from every point of view the tyranny of a despotic majority can be more unjust and do more harm than the tyranny of a despotic minority."

The Journal is looking far into the future for trouble.

So long as the American people provide, in their tariff, shelter for the trusts that oppress them; so long as they give to the national bankers the privilege of loaning the people's money to the people; so long as a handful of men are permitted to control the insurance business of the country and a coterie of "captains of finance" are permitted to manage the transportation business; so long as the trust magnates are allowed to fix the price the producer receives and the price the consumer pays; so long as every agency of man and of government—the farmer's product, the means of transportation, the state legislature, the congress and all too often the court itself—seems to have been created for the special use and benefit of men who neither toil nor spin, and so long as men who raise a voice in protest against these conditions are discouraged in their good efforts by the failure of their fellows to appreciate their labor, or by the attacks of an ignorant or a venal press—there is not great need for worry concerning "the tyranny of a despotic majority!"

Let the Wall Street Journal direct its attention to the undue power wielded in this country by "the small privileged minority."



### GOOD FOR THE PRESIDENT

Upon the back of the statement relating to William January's case, President Roosevelt wrote: "I think Anderson's years of life as an honest citizen, hard working and of good repute, warrant us in commuting his sentence at once or in pardoning him outright."

Good for the president! The ends of justice will not be served by keeping this man in prison. According to the testimony of his neighbors, he has reformed and when President Roosevelt surrenders him to his faithful wife and his little daughter, the American people will say "Amen" with practical unanimity.

## NO QUESTIONS ASKED



The fawning of some of our college presidents shows that Plutocracy as well as Monarchy can make courtiers of those who are servile.

## TRUSTS AND THEIR TREATMENT

The first step to be taken in the investigation of the trust question is to define a trust. The word had its origin in the practice, begun a quarter of a century ago, of depositing a majority of the stock of several corporations in the hands of trustees, who proceeded to manage the corporations as one. The word afterward was used to describe any agreement made among independent corporations for joint action in the restriction of trade, the division of territory, or the fixing of price or terms. The aim of these various combinations, more and more clearly defined as different plans were adopted, was monopoly. The essence of a trust is to be found in its ability to eliminate competition and control the market, and for the purposes of this article a trust will be defined as a corporation which by itself or in conjunction with other corporations controls a sufficient proportion of the article produced or handled to enable it approximately to determine the terms and conditions of sale or purchase. The word "approximately" is used because the evils of monopoly may be felt before a complete monopoly is secured, and the word "purchase," as well as the word "sale," is used because a trust may control the price of the raw material which it buys as well as the price of its product.

The trust appears in four forms. The Northern Securities company presented the trust idea in its most advanced form. A corporation was formed to purchase a controlling interest in three railroads, the Great Northern, the Northern Pacific and the Burlington. The main advantage of the Securities company was that it decreased the amount of money necessary to enable a group of

men to control the three roads. If, for instance, one man obtained a controlling interest in the Great Northern, another man obtained a controlling interest in the Northern Pacific and a third a controlling interest in the Burlington, the three could confer and elect the same set of men as directors of the three companies. These directors could eliminate competition and so manage the roads as to keep one from interfering with the other, but they would have to retain a majority of the stock of all three roads in order to do so. The object of the Northern Securities company was to enable the capitalists to carry out the same scheme of control with a little more than half of the investment. The Northern Securities company was to own a controlling interest in the three roads, and the men who owned a controlling interest in the securities company would then control the railroads. To make the matter clearer, let us reduce it to figures. If the three roads had a capital stock of a hundred millions each, the syndicate would have to own a little more than fifty millions of the stock of each road, or something more than a hundred and fifty millions all together. The Northern Securities company, however, with a capital of a hundred and fifty-one millions, could, assuming the capital of the three roads to aggregate three hundred millions, purchase a controlling interest, and the syndicate, by controlling seventy-six millions of the stock of the Securities company, could control one hundred and fifty-one millions of railroad stock and thus control the three roads. If, instead of capitalizing the Securities company at a hundred and fifty-one millions, the syndicate fixed the capital at seventy-