if the insurance company remove any action from the state court to the circuit court of the United States. The insurance company removed a case to the United States circuit court, and the commissioner cancelled its license. The supreme court was asked to overrule a former decision holding a similar statute valid. It declined to do so, but sustained the ruling in the previous case—broadly upholding the power of the state to require that no foreign corporation should do business in the state without a license and to provide for the cancellation of the license upon such terms as the state might see fit to prescribe.

Under the rule laid down in this case, which is supported by the previous decisions of the court, any state may pass a statute providing that no foreign corporation shall do any domestic business in the state without first obtaining a license from certain authorities of the state; and it may provide that no license shall be issued to any corporation which is a trust or creates a monopoly as above defined, and that any license which is issued shall be cancelled if it shall appear that the corporation is a trust or creates a monopoly, or has entered into an arrangement or combination for the purpose of creating a monopoly. If such statutes were passed by even a majority of the states of the union, in a few years every trust in this country would be a thing of the past, for no trust can long exist if its right to do business is confined to the state of its origin.

The advantages of this solution of the question are many. No amendment to the constitution of the United States is necessary, and no time need be lost in securing power to act. Any one who has been about Washington of late years knows the great power of the lobby and how hard it is to get anything through which a determined lobby resists. The congress of the United States has a multitude of business before it, and in the press of business it is very difficult to get any specific matter acted upon. The congress is not as sensible to public opinion as a state legislature. The farther the representatives of the people are removed from their constituents, the less weight the opinion of their constituents has upon them. If the fight is concentrated at Washington, then all the forces of the enemy are there; but if the battle is fought in forty-five different state capitals, the forces of the enemy are divided, and the peoples' representatives act more nearly in the immediate presence of their constituents.

But the greatest and best reason for it is that the nearer the government is to the people, and the more interest they take in the government the better will we be off. No people have ever remained free who trusted to their rulers to take care of them. The price of liberty is that the people must be public spirited and must themselves take care of their own liberties. There can properly be no such thing as paternalism in a republican government. The history of all republics is that when the people cease to take an interest in public affairs, relying on their rulers to take care of them, they soon became despotisms although called republics. History also shows that the most successful republics have been those in which public affairs were brought nearest to the body of the people. It was this lesson of history that led the framers of our government to reserve all power to the people of the states, except such as was expressly granted to the federal government. The people of the several states can be trusted to look after their own local affairs, but they cannot in the nature of things so well look after the administration of affairs by the federal government. The demand now for an extension of the power of the federal government, however well intentioned, is based in the end upon the idea that the rulers of the people will look better after the interest of the people than the people themselves will locally. It may be more difficult for the people locally to do so, it may be not always easy to arouse the people, but after all there can be no question that the framers of our constitution were right when they framed a central government of only limited powers, and reserved everything but the powers granted to the people of the several states.

As to interstate commerce congress has now full authority to provide a remedy and all that is necessary is that an adequate criminal liability provision be enacted and enforced against the corporations and the persons individually who violate the statute.

J. P. HOBSON.

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INITIATIVE AND REFERENDUM

The National Confederation for people's rule has issued this statement: Two more states have established direct election of United States senators. Iowa and Washington have joined the procession, making five states this year, and a total of eighteen. The northern states are Oregon, Washington, North Dakota, Wisconsin, Illinois, Iowa, Missouri and Oklahoma, with a unanimous house in Pennsylvania and a tie vote in the senate and the contest still 'on.' The southern states are Virginia, South Carolina, Georgia, Florida, Alabama, Mississippi, Texas, Arkansas, Tennessee and Kentucky.

The same bulletin points out:

New Jersey is the second of the eastern states to terminate machine rule in municipal affairs. April 16 Governor Stokes signed a bill establishing the initiative and referendum in the cities, boroughs, villages and towns of New Jersey.

The law is thoroughly up to date, having been drawn by Hon. Herman B. Walker, of the New Jersey people's lobby. Henceforth the final power in municipal affairs in New Jersey will be in the voters. Machine rule is a thing of the past.

The bill was first passed by a democratic house, then by a republican senate and the bill was signed by a republican governor.

About six weeks ago the Delaware legislature installed the initiative and referendum in the city of Wilmington.

Over in Pennsylvania the lower house has unanimously passed a bill for the initiative and referendum in cities and boroughs and the senate has favorably reported the amended bill, which is almost sure to become a law at once.

Up in Maine the legislature has submitted a constitutional amendment for the initiative and referendum; while in Massachusetts a majority in both branches of the legislature is pledged to establish the advisory initiative in state affairs.

It is quite evident that the people in the eastern states are taking hold of the initiative and referendum.

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WASHINGTON LETTER

Washington, D. C., May 6.—Mr. Bryan's speech before the Brooklyn Democratic club in which he took a strong position in behalf of direct legislation seems to have awakened some public astonishment. Yet it is nothing new for him. He has declared for the initiative and referendum before, time and again. Of course that doctrine is nearly that of the government by, of and for the people which Lincoln preached. The proposition that questions involving popular rights should be submitted to a popular vote seems so elementary that it is difficult to understand how anyone, except the servitors of corporations in the legislature could oppose it.

Probably the one man in the United States who has made the most exhaustive study of this subject is Mr. George H. Shibley, president of the National Federation for People's Rule. Mr. Shibley's organization is thoroughly non-partisan. Mr. Shibley himself is consecrating a life of industry to the service of the cause in which he believes, and has to my personal knowledge for almost a decade borne the burden of financing the movement in which he is interested.

When I spoke to him today of Mr. Bryan's strenuous statement in Brooklyn the only surprise he expressed was that the Associated Press had carried the news. He said, as I know, that Mr. Bryan had been saying the same thing for years past, but this time he had compelled the press associations to report his utterances. Continuing, Mr. Shibley said: "Mr. Bryan's Brooklyn declaration for the initiative and referendum is in line with his past utterances. For at least ten years he has advocated the establishment of the system. During the past few months he has addressed many legislatures and our newspaper clippings show that invariably he has advocated the establishment of a veto power in the people, through the referendum, and the power of direct legislation through the initiative. The only thing that is new is that the press association should have sent out any reference to the initiative and referendum and that Mr. Bryan should declare that a belief in the people's capacity to govern themselves is henceforth to be a vital tenet in the democratic party. This declaration will attract the great mass of republican voters as well as the really democratic ones, for experience demonstrates that wherever the issue has been discussed for a time the people have quickly lined up for themselves and against machine rule. They are looking for a means to restore their lost sovereignty and the establishment of the initiative and referendum is the remedy. When the people become again the ruling power in national affairs they can and will control the trusts. The really vital issue, therefore, is who shall possess the sovereign power, the voters or the few who are in office? That was the issue when Jefferson became president and it is today's issue. History is repeating itself."

New York some months ago was making a fight to reduce the price of gas and to regulate its street railroads. It was my lot to be asked to make a study of the organization of the Consolidated Gas company and the Metropolitan Traction company. To assist me I had two of the ablest corporation lawyers in the metropolis. What did we discover? Just this: That the skill, the intelligence, the cunning of Elihu Root, now secretary of state, had so involved the ownership of these corporations that no one could unravel the tangle. There were ninety-nine year leases, sales, holding companies, resales, stock pledged, bonds issued, every device known to the shrewd and unscrupulous corporation lawyer, of whom Mr. Root is the highest type, employed to so involve the situation that no citizen could ever be able to understand it.

I have now in my possession four or five books representing the endeavor of skilled corporation experts to explain, not to undo, Mr. Root's work, and yet the author of each said to me that he had fallen short of coping with this Machiavelli of stock jugglery.

Mr. Root has brought a measure of peace to the business world by enabling the big fellow first to crush and then to swallow the smaller one as does the boa constrictor his prey. He is the chief adviser of a president who talks about the conspiracy of the rich for his undoing, and who disbelieves in any reduction of armaments lest the wicked natives of Uganda should arise and threaten the civilization of Europe. It is an interesting situation. Small wonder that the peace conference looked toward Washington with wonder and amaze.

After hearing the evidence for six weeks a jury has declared the Standard Oil company guilty of rebating on over 1,400 counts. This jury was not prejudiced against the company. Out of over 1,900 counts, it declared that the trust was not guilty in over 400 of them. The jury was fair, far fairer with the oil trust than the latter had ever been with the people, from whom this jury was drawn.

The company was indicted for accepting concessions in storage charges, reductions in rates, and receiving other advantages of railroad discrimination. The amounts alleged to have been given the company aggregated $273,000 in eighteen months. These rebates cover shipments between the company at its thousands of shipping points, to which the Standard sends oil. Yet during a period of eighteen months, when the oil company must have been on its guard because of a wide exposure of, and a widespread protest against its iniquities, it is found guilty of having accepted at not more than five shipping points over a quarter of a million of dollars in rebates. Some idea of the tremendous amounts unlawfully made by the company at its thousands of shipping points, during all those years before the present publicity had been given its methods, can be partially inferred. Given a quarter of a million dollars of advantage over competitors at five points during eighteen months of strict surveillance, is it remarkable that the Standard Oil company was able to crush out all competitors, and build up a colossal system, estimated to be worth into the billions?

The oil company is now battling desperately to save as much of the spoil of its robber methods as it can. It has violated the law. That is clear. It now will attempt to take advantage of certain time-honored principles of the law in order to escape the penalties that should be imposed. Each offense of the company carries with it a fine of not less than $1,000 and not more than $20,000. The court's charge left the jury a discretion as to how many of the counts it might find the company to be guilty in. The jury threw out 441 counts as defective and declared the oil trust guilty on 1,462 counts. If the maximum fines are imposed, they will, with the costs, aggregate nearly $30,000,000.

The oil trust attorneys have made a motion to limit the number of offenses, for which a fine can be imposed, to one. They are taking advantage of the legal aversion to cumulative penalties, and next week they will argue the question whether the defendant can be fined in more than one count. The ruling upon this point will be one of the most important ever decided by a federal court. It will determine whether or not the federal laws against railroad discrimination are enforceable and effective. For if a trust can violate a federal law 999 times, and then merely be subject to the imposition of one fine for all wrong doing up to the date of the trial, the law will be a laughing stock for all our law-defying trusts and corporations.

If a common criminal is sentenced to prison for a definite term for each offense, we fail to see why the imposition of $30,000,000 in fines against a corporation that has made a large portion of its enormous wealth by violating moral and legal statutes, is unreasonable and not according to the best principles of justice.

WILLIS J. ABBOTT.