

# The President's Anti-trust Message

In another part of the paper the reader will find the president's message on the trust question. It reaches high-water mark both in the subject treated and in the manner of treatment. Having paved the way for the inauguration of legislation on this subject the president has struck a blow which has already been felt by the combinations which have been restraining trade and stifling commerce.

The first legislative move of the president was in the direction of tariff reduction, and he succeeded in securing the passage of a bill which not only materially lowered import duties but included an income tax clause, without which it would have been difficult, if not impossible, to make such a reduction in import duties as would satisfy the demands of the people. Then came the titanic struggle for currency reform. The money power, which has for a generation held the nation in its grip, fought desperately to retain its control. It required the high courage and the persistent perseverance of the president to win the victory. Victory was won, and the country is free. The finger prints are still visible upon the nation's throat, but the hand is gone and the nation breathes a sigh of relief.

But the president's work would have been incomplete if he had been content with tariff reduction and currency reform. The new task which he has set for himself, viz.: the making of private monopoly impossible in the United States, is the largest one he has had before him, and currency reform made the task possible of accomplishment. If he had undertaken a fight against the trusts while Wall street was still in control of the nation's finances he would have had to meet threats of panic and the discharge of employees, for combination has been carried so far that a handful of men were able to bring industrial peace or panic at will. With from eight to twelve (the exact number is not known) financial centers linked together at Washington and each one dependent upon the government for its authority to act, it will be impossible for a group of capitalists to coerce the country into submission to its will, or to frighten the country away from remedial legislation.

The text of the president's message is to be found in the following sentence: "We are all agreed that 'private monopoly is indefensible and intolerable,' and our program is founded upon that conviction." The phrase "private monopoly is indefensible and intolerable" is to be found in four democratic national platforms, viz.: the platforms of 1900, 1904, 1908, and 1912. It has three times been endorsed by more than six millions of voters; it is the only statement of the trust question that recognizes the source of the trouble, the only remedy that lays the axe at the root of the tree. When the president used the same phrase in his letter of acceptance he gave assurance that he understood the subject and was prepared to favor the necessary legislation. But he is not satisfied with stating the general principles; he proceeds to outline clearly and specifically the measures necessary to carry out those principles.

## INTERLOCKING DIRECTORATES

The president's first proposal is legislation "which will effectually prohibit and prevent such interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial, and public service bodies—as in effect result in making those who borrow and those who lend practically one and the same, those who sell and those who buy but the same persons trading with one another under different names and in different combinations, and those who affect to compete in fact partners and masters of some whole field of business."

An attempt was made to include a provision on this subject in the currency bill, but it was objected to on the ground that the bill had as many good provisions as it could carry, but in postponing the consideration of this subject until the regular sessions the caucus directed the judiciary committee to prepare a bill along these lines.

The unlocking process has already commenced. A number of prominent financiers have retired from directorates of competing companies,

so that the very inauguration of the movement has gone some distance toward suppressing the evil.

The second remedy proposed by the president looks to the supervision of the issue of stocks and bonds of corporations doing interstate business, with a view to putting such corporations upon an honest and legitimate basis. The president's position on this subject is stated in the following sentence: "The country is ready therefore, to accept, and accept with relief as well as approval, a law which will confer upon the interstate commerce commission the power to superintend and regulate the financial operations by which the railroads are henceforth to be supplied with the money they need for their proper development to meet the rapidly growing requirements of the country for increased and improved facilities of transportation."

This is a much needed reform.

## DEFINING MONOPOLY

The president nowhere shows his understanding of the trust question better than in his recommendation of legislation more explicitly defining the policy and meaning of the anti-trust law. He expresses himself thus: "Nothing hampers business like uncertainty. Nothing daunts or discourages it like the necessity to take chances, to run the risk of falling under the condemnation of the law before it can make sure just what the law is. Surely we are sufficiently familiar with the actual processes and methods of monopoly and of the many hurtful restraints of trade to make definition possible, at any rate up to the limits of what experience has disclosed. These practices, being now abundantly disclosed, can be explicitly and item by item forbidden by statute in such terms as will practically eliminate uncertainty, the law itself and the penalty being made equally plain."

These definitions will relieve the honest man and make easier the punishment of the guilty.

## THE INTERSTATE TRADE COMMISSION

The president asks for the creation of an administrative body to be known as the interstate trade commission. This commission will be in a position to supply information and give definite guidance to corporations engaged in interstate trade. It is impossible to look far enough ahead to prescribe in detail the work which this interstate trade commission can do. Its first business, however, will be to supply information to business men who desire to avoid a violation of the law, but it will doubtless be entrusted with the framing of those details which cannot be well embodied in a statute. Experience will show what needs to be done and what such a commission can wisely undertake. The president insists that the public demands such a commission "as an indispensable instrument of information and publicity, as a clearing house for the facts by which both the public mind and the managers of great business undertakings should be guided, and as an instrumentality for doing justice to business where the processes of the courts or the natural forces of correction outside the courts are inadequate to adjust the remedy to the wrong in a way that will meet all the equities and circumstances of the case."

## PERSONAL RESPONSIBILITY

The president rightly argues that the penalties and punishments should fall, not upon the business itself but upon the individuals who use the instrument of business to accomplish purposes which do not accord with public policies and the demands of sound business principles.

Every one who has studied the trust question impartially and without bias has reached the same conclusion. Fining a corporation is no punishment at all; if the punishment does not reach the individual it brings no disgrace with it, and the fine is usually much less than the money made by the violation of the law. The imprisonment of a few trust magnates would do more to break up the trusts than any other remedy that can be devised. The director can laugh at the law so long as the demands of justice can be met by a small contribution from the treasury of the corporation, but it is different when he looks out upon the situation through prison bars.

The president also suggests that we go beyond the abolition of the holding company and make it impossible for an individual to vote stock in

competing companies. He also advises legislation which will enable private individuals to bring suits in their own behalf where the government has successfully established the trust character of a combination. Congress has already taken up the president's suggestions and bills have been introduced embodying them. The hearings are now in progress and the indications are that there will be a greater unanimity in both the senate and the house in dealing with the trust question than there has been in dealing with the tariff and currency questions, although in both of these the democrats polled more than their party's strength.

The president has set his hand to the plow and shows no signs of turning back. Fortunate is the country that has at its helm an executive so steadfast and unyielding in his determination to fulfill the pledges made by his party to the country.

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If we are to accept the observations of the political experts, there are three kinds of republicans who are expected to join in the get-together movement—standpat republicans, progressive republicans and bull moosers. The standpatters never moved a step, the progressive republicans trembling put one foot over the line, while the bull moosers boldly stepped across. It is now proposed to get these all in one party again, principally because they were once all in the same party. It would be a hardy soul who would deign to prophesy that this get-together movement will have any stay together results.

## IT IS ITS NATURE TO SQUEEZE

A little boy, after watching a snake charmer handling a rattlesnake and a boa constrictor, explained the difference in this way: "You can take the poison out of a rattlesnake, but you can't take the squeeze out of a boa constrictor."

What better illustration could there be of the inherent and ineradicable tendency of a private monopoly to do harm? It is the very nature of a monopoly to squeeze the life out of competitors—that is what it lives for. Like the animal that is ferocious in nature, it cannot be allowed to run at large. The president recognized this fact when he built his anti-trust policy upon the platform declaration that "private monopoly is indefensible and intolerable." It being impossible to take the squeeze out of a private monopoly the very existence of such organizations should be prevented. Legitimate corporations can be regulated; a private monopoly can not—its existence must be made impossible.

The sudden change of attitude on the part of the big bankers from frantic opposition to the currency bill before passage to hearty approval of it after it became a law suggests the comment that legislation would be a less difficult and less complex task if it were possible to get, during the period of discussion, the honest, unselfish opinions of men whose real opinions are worth while.

## THE ALASKAN RAILROAD

The senate by a large majority has passed the bill providing for the building of a government railroad in Alaska. It is quite certain that the house will also pass the measure, and the president stands ready to sign it.

The chief objection made to the project is that it is an experiment in government ownership. This is hardly a fair objection, because the public character of the ownership is not a matter of choice but a matter of necessity. The conditions which exist in the United States do not exist in Alaska. Here there is a certain amount of competition in the building of railroads, but in Alaska it is merely a question whether the government will construct the road in the interests of the people of Alaska or allow it to be constructed by a corporation intent upon monopolizing the country's possibilities. The experience under government ownership in the construction and operation of the Alaskan railroad may be useful as a guide, but it can hardly be taken as a precedent for government ownership in the body of our country.

Secretary Lane deserves credit for the formulation of the plan and for the legislative victory which has been won in connection with it.

W. J. BRYAN.

The tremendous success, both financially and in public favor, of the parcel post as conducted by Postmaster General Burleson, has apparently reduced to complete silence those fearsome gentlemen who said that the government was engaging in socialistic enterprises.