

make a mistake, they correct it as soon as they find it out, but the minority sometimes find it so profitable to make mistakes at the expense of the majority that they are slow to correct them. Some of the bloodiest wars of history have been waged by the people to correct mistakes which the minority found it profitable to make. If any mistakes are to be made, let them be made by the majority and then they will be speedily corrected.

The second thought that I desire to present is this, that in all legislation state, national and city, the great controversy is between the claims of the corporations and the rights of the individual. Eliminate the interests of the great corporations and republicans and democrats could readily agree on most questions without discussion. Take the corporations out of consideration and there would scarcely be a necessity for a roll call unless your constitution requires a roll call. In the political fights which have taken place in this country during the last quarter of a century the corporate interests usually have been on one side and the interests of the individual on the other.

Is there any difference between the individual and the corporation? Yes, a great difference. God made the individual; man made the corporation. The individual of flesh and blood was placed upon earth by the Almighty to work out a divine decree; the corporation was created to make money. Is there any difference between these two purposes? The individual is controlled by conscience; the corporation has no conscience. The individual acts upon his own responsibility and is subject to public opinion. He has the opinion of his neighbors to restrain him, but how is it with corporations? The stockholders draw their dividends but do not take part in the active management of the corporation; the manager acts for the corporation but is the agent of someone else. The stockholders permit anything to be done that will result in dividends, and the manager acting for others, has no choice but to grind out all of the money that he can. The result is that the corporation is conducted in a manner entirely different from that in which the individual would conduct his business. I am speaking, of course, of the large corporation where the stockholders do not come into close touch with the work of the corporation.

Competition between individuals is a fairly equal competition, but when corporations are created a hundred, a thousand or a million times stronger than the God-made man, the competition between them becomes very unequal. The tendency has been to allow the corporation to do whatever it pleased no matter how large it was or how complete its monopoly. It is time for the power of the government to be used to protect the individual of flesh and blood from the encroachments from the man-made giant which we call corporation.

Some people say that we must be careful not to legislate too much. We have in our party some who are very tenacious about the doctrine that we should legislate as little as possible. One of the attorneys employed in the Standard Oil company in the recent Ohio case declared that he belonged to the old school and opposed any legislation not absolutely necessary. It will not do to create giants and then suddenly oppose restraint. If we are going to adopt the doctrine of little legislation, we should first undo the work that we have done in the creation of monopolies; after monster corporations have been created we cannot sit still and permit them to prey upon the public.

The regulation of railroads is a question which is now being discussed throughout the union. Some are afraid that the railroads may be injured by regulation; some oppose all regulation on the ground that it smacks of paternalism. Well, we have had a taste of infernalism in the management of our railway corporations, and we may well suspect the man who talks against control more than he talks against the abuses which have grown up among our railroads. Our courts have carried the doctrine of innocent purchaser to an extreme, and they insist that the purchaser of stock in the railroad must be protected in his dividends however much water there may be in the stock, but there is another innocent purchaser whose rights will, I hope, be some day respected. He is the man who purchases land along side the railroad and whose labor makes the railroad profitable. He is entitled to consideration because he is absolutely helpless. The purchaser of stock on the market is not helpless. He does not have to buy the stock unless he wants to, and he can investigate before he buys. It is possible for him to find out how much water there is in the stock and whether the dividends are based upon actual worth, but the man who has land must use the railroad that is near him, and the fact that there is one line near him prevents another line from being built. The time is near at hand for the protection of the patron of the road as well as the stockholder. Discrimination and rebates have bankrupted individuals and communities, but extortionate rates have been even a greater detri-

ment to the country because they have drained the earnings of the people into the treasuries of the great railroad systems.

We must have regulation and that regulation must be strict. If you present for my consideration two bills, the only question which I will ask is which goes farthest in the direction of regulation. I believe in the most complete regulation possible because I would rather trust the people to do justice to the railroads than to trust the railroad managers to do justice to the people. It is said that the railroad managers are interested in building up the country. That is true if they would take a far-sighted view of the subject, but a dividend in the hand is worth two in the bush, and they prefer to make their dividends large today rather than enlarge the equipment and provide for emergencies. They make larger profits on the capital invested by the course which they now pursue but they leave the people to suffer when an emergency arises.

I want a regulation that will regulate. My own personal opinion is that regulation will ultimately be found ineffective and that the people will be driven to the ownership of the railroads and to the operation of them in their own interests as they have been driven to municipal ownership by the extortion and corruption of franchise-holding corporations. I believe that this is the ultimate remedy, but while regulation is desired by the people, I want it to be a regulation that will give the people as complete protection as possible.

It is evident that the rate bill passed by the last congress is not as effective as it ought to be, for the senate voted down an amendment proposed by Senator LaFollette authorizing the interstate commerce commission to ascertain the value of the railroads. How can the commission decide what is a reasonable rate without knowing what the railroads are worth? The commission should have been given authority to ascertain the present value of the railroads measured by the cost of reproduction, and as the federal commission was denied that power, the various state commissions should be given authority to ascertain the value of the roads within their states.

The control of the trusts is a state question as well as a national one. The state ought to do all in its power but I have not deluded myself with the belief that the trust question can be entirely settled by state legislation. The time has come for the national government to exercise its powers for the extinction of private monopolies. Investigation shows that a considerable part of the abuses of corporation power is due to the duplication of directorates. A group of men obtain control of two or three or a half dozen different companies. If these companies are competitors, competition is at once stopped. If the companies are not competitors but trade with each other, the interests of one set of stockholders are sacrificed to the interests of another. For instance, two railroads come under the control of the same men, the same directors control both, the same men act as directors of both roads, and they become virtually one system, or to illustrate the other phase of the question, a railroad is organized and then the directors organize a construction company and the assets of the railroad company are turned over to the construction company. Some of the insurance companies have been run in the same way. The directors of the company organize a bank and a trust company, and by working the three institutions in their own interests they grow rich at the expense of the stockholder and the policyholder. The old Bible doctrine that no man can serve two masters is as sound now as it was nineteen hundred years ago, and it is time to provide by law that no man who is the director of a corporation shall be eligible to election as the director of another corporation which either competes with the first one or does business with it.

Another corporate evil is to be found in the ownership of corporate stock by another corporation. Our railroad presidents are using the funds of their corporations to buy stock in other corporations and competition is being gradually extinguished. A corporation is not organized for the purpose of buying the stock of other corporations. It is organized for the transaction of a certain line of business, and it ought to be confined to that business. And while on this subject I may add that no railroad should be permitted to engage in any other business for it cannot be trusted to treat rival companies fairly when such companies come into competition with corporations controlled by the railroads.

Just a word as to municipal corporations. There has been growth in public sentiment in favor of municipal ownership. A city can do its own work better than it can let it out to corporations. In the beginning a corporation presents its plans and promises to serve the people for a reasonable compensation; as soon as it secures a franchise it begins to water its stock, and when the people try to regulate rates, the corporation resorts to the corruption of councilmen and city officials.

We have frequently had the spectacle of eminently reputable men—men who stand high in society and even in the church—secretly furnishing corruption funds to buy votes and debauch councils. The public has as a matter of self-preservation been compelled to step in and undertake the work itself. The trend in this country and elsewhere is all in the direction of municipal ownership. In our state we have an illustration of the two systems. The city of Lincoln owns its waterworks while the city of Omaha obtains water from a private corporation. While the people of Lincoln obtain their water from wells, the city furnishes water to the people at one-half the price per thousand cubic feet that is paid in Omaha, where the water is taken from the river and controlled by a private corporation. Wherever the city takes control of a municipal plant there is generally a reduction in the cost to the people, an increase of wages to the employes and reduction in the hours of labor. In England they have gone to the extent of fixing a maximum dividend when a municipal franchise is granted—that is, a corporation is not allowed to pay more than a certain dividend upon the stock. I believe that the plan is a good one and that we can well afford to adopt it wherever the people desire or prefer to grant franchises.

But no franchise should be granted except by a vote of the people, and all franchises should be for a short term and should contain a provision authorizing the city to purchase at any time at a reasonable valuation. When a corporation is asking for a franchise it figures its profits at a very low sum; when the franchise is granted, it usually capitalizes the franchise and thus admits that it has obtained a large sum of money as a gift.

I have mentioned the problems of state and city because their legislature has to deal with them, and in dealing with them the contest is always between some large corporate interest and the general public. In such cases it is difficult for the legislator to stand as an impartial arbiter between the corporation on the one side and the people on the other because the corporation is present and insistent while the people are at home.

The third subject which I desire to present is the basis of rewards. We have in this country a threatened conflict between two theories, individualism and socialism. The difference between the two is an important one. The individualist believes that society as a whole will be benefited if the individual is stimulated to the largest endeavor. The socialist believes that society will be benefited if the government takes possession of all the means of production and distribution and thus becomes the employer of a large majority of the people. This subject is being discussed to a greater or less extent in all countries. The question is going to be settled, I take it, by a consideration of the question of rewards. What ought the reward to be? I am an individualist as contradistinguished from the socialist as socialism is defined by its exponents. I believe that wherever competition is possible we ought to have competition. The socialist believes that competition is a destructive force and that it should be eliminated. Socialism has grown because individualism has been abused and the friends of individualism owe it to themselves and to their cause to at once eradicate these abuses. Socialism will grow unless the friends of individualism step forward and by restoring competition, eliminate the evils that have grown up under monopoly. If we admit that a monopoly is a good thing, it will be difficult to answer the argument presented in favor of a government monopoly as against a private monopoly, but a monopoly is not necessary in most industries, and the aim should be to dissolve such private monopolies as now exist and prevent the creation of any new ones. The restoration of competition where competition is possible and the establishment of government ownership where competition is impossible will remove the dangers which are apprehended from socialism.

Speaking of the subject of rewards, I take occasion to express my appreciation of what the president has recently done in the education of public sentiment on this subject. He has spoken of swollen fortunes, and he has suggested not only an income tax but an inheritance tax to prevent these swollen fortunes from descending to posterity. He has performed a great service in calling attention to inequality in the distribution of wealth. It is not safe to make a prediction in regard to a man while he lives; we cannot always agree on the value of a man's services even after he is dead. I venture the opinion, however, that the president's place in history may depend not so much upon his having affixed his signature to any particular message as to the fact that he has been instrumental in turning public attention toward a great subject. He has asked the people to consider the ethics of money-making. Is there any basis upon which reward can be computed? I can conceive of but one just basis and that is that the reward shall be proportionate to the con-