tions can, without violating the law, reach the same end by electing the same directors.

The second remedy is one upon which I desire to dwell at some length. We believe it to be a simple, complete and easily enforced remedy. As stated in the platform it is:

"A license system which will, without abridging the right of each state to create corporations, or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a federal license before it shall be permitted to control as much as twenty-five per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than fifty per cent of the total amount of any product consumed in the United States."

It will be noticed, in the first place, that care was taken by those who drew the platform to provide that there should be no abridgment of the right of a state to create corporations, or of its right to regulate as it will foreign corporations doing business within its limits. This plan, therefore, does not in the least infringe upon the right of the states to protect their own people. It simply provides for the exercise by congress of the power vested in it to regulate interstate commerce. As long as a corporation confines itself to the state in which it is created, congress can not interfere with it; but when the corporation engages in interstate commerce, congress is the only power that can regulate its interstate business.

In proposing the exercise of this power, the democratic platform is not asserting a new doctrine. In January, 1896, a republican house of representatives adopted a resolution calling upon Hon. Judson Harmon, then attorney general of the United States, now the democratic candidate for governor in Ohio, to report what steps, if any, had been taken to enforce the law of the United States against trusts, combinations and conspiracies in restraint of trade and commerce, and what further legislation was, in his opinion, needed to protect the people against the same. On the 8th day of February he submitted a reply, in which he described the steps which were being taken to enforce the law, and recommended the enactment of further legislation. I call special attention to the following words:

"Congress may make it unlawful to ship from one state to another, in carrying out, or attempting to carry out, the designs of such (state) organizations, articles produced, owned or controlled by them or any of their members or agents."

His recommendation embodies the very idea which our plan now proposes to carry out. We want to make it unlawful for a corporation to use the instrumentalities of interstate commerce for the carrying out of a monopolistic purpose. Surely no party can consistently claim to be opposed to private monopolies which will permit the interstate railroads to be used to carry out the designs of a monopoly, or which will permit the interstate telegraph lines to be used to increase the power of a private monopoly; or, to make the case stronger, no party can consistently claim to be opposed to the trusts which will allow the mails of the United States to be used by the trusts as an agency for the extermination of competition. Congress has already exercised this power to exterminate lotteries. Why not exercise it to make private monopolies impossible?

If it is conceded that congress has the power to prevent the shipment of goods from one state to another when such shipment is a part of a conspiracy against trade and commerce then the only question is as to the means to be employed to prevent such shipment. The license system presents an easy way of regulating such corporations as need federal regulation. The law can prohibit the doing of a thing and impose a penalty for the violation of the law, but experience has shown that it is very difficult to gather up evidence from all sections of the United States and prosecute a great corporation; so difficult is it, that although the Sherman anti-trust law has been in force for eighteen years, no trust magnate has been sent to the penitentiary for violating the law, although in a few cases the court has found corporations guilty of a violation of the law. In the enforcement of a penalty, the government must seek the defendant; by the use of the license system, the corporation is compelled to seek the government.

A trust can best be defined as a corporation which controls so large a proportion of the total quantity of any article used in this country as to be able to regulate the price and terms of sale, and as the proportion controlled determines the power of the trust for harm, it has seemed best to use proportionate control as the basis of this plan, and twenty-five per cent has been fixed arbitrarily as the proportion at which the line should be drawn. A corporation which controls less than twenty-five per cent of the product in which it deals, may, in extraordinary cases, exert a perceptible influence in controlling the price of the product and the terms of sale, but as a rule a corporation must control more than that percentage of the total product before it can exert a hurtful influence on trade. Under this plan, the small corporations are left entirely free and unhampered. This is not a discrimination against the larger corporation, but a recognition of the fact that rules are necessary in the case of corporations controlling a large percentage of the product which are not necessary in the case of smaller corporations. Probably not one per cent of the corporations engaged in interstate commerce would be required to take out a license under this plan—possibly not one-half of one per cent—and yet what a protection the remaining ninety-nine per cent would find in the law requiring a license in the case of the larger ones!

The license, however, would not prevent the growth of the corporations licensed. It would simply bring them under the eye of the federal government and compel them to deal with the public in such a way as to afford the public the protection necessary. One of the restrictions suggested is that such licensed corporations be compelled to sell to all purchasers in all parts of the country on the same terms, after making due allowance for cost of transportation. Mr. Taft attacks this restriction as "utterly impracticable." He says: "If it can be shown that in order to drive out competition, a corporation owning a large part of the plant producing an article is selling in one part of the country, where it has competitors, at a low and unprofitable price, and in another part of the country, where it has none, at an exorbitant price, this is evidence that it is attempting an unlawful monopoly and justifies conviction under the anti-trust law."

If such an act is now unlawful, why is he so frightened at a plan which gives to the small competitor this very protection? The trouble with the present law is that it does not restrain the evils at which it is aimed. The plan proposed in the democratic platform brings the corporation under the surveillance of the government when it has reached the danger point, and thereafter subjects it to federal scrutiny. The present law simply prohibits it in an indefinite sort of way, and then leaves the officers of the law to scour the country and hunt up violations of the law's provisions. Mr. Taft is unduly alarmed at this proposal, or else he entirely fails to comprehend the details of the plan. He says:

"To supervise the business of corporations in such a way as to fix the price of commodities and compel the sale at such price is as absurd and socialistic a plank as was ever inserted in a democratic political platform."

And yet this sentence is found in the same paragraph with the sentence above quoted in which he declares that it is even now a violation of the Sherman anti-trust law for a corporation to attempt to destroy a competitor by selling at a low and unprofitable price where it has competition, and at an exorbitant price where it has no competition. In what respect is our plan more socialistic than the plan which Mr. Taft endorses? Merely in the fact that ours can be enforced. According to Mr. Taft's logic, a plan is not socialistic which is not effective, but the same would be socialistic if made effective. Why should a corporation supplying twenty millions of people—for a corporation controlling twenty-five per cent of the total product supplies one-fourth, or more, of our population—should such a corporation be permitted to sell at one price in one part of the country and at another price in another part? What reason can a corporation have for such discrimination? Prices are not made as a matter of favor; when a big corporation sells to the people of one section at one price and the people of another section at another price—the cost of transportation being taken into consideration—there is a reason for it, and in almost every case the reason is to be found in the effort to destroy a competitor. One of the most familiar methods of the trust is to undersell a small competitor in the small competitor's territory—the price being maintained elsewhere—until the small competitor is driven to bankruptcy and then the price is raised. That has been done over and over again. It is open and notorious; and yet, with the republican party in complete power at Washington, what effort has been made to prevent this. This remedy, although vehemently denounced by Mr. Taft, will appeal to the average man as not only very salutary, but very necessary.

Fifty per cent is fixed as the maximum limit. When a corporation controls fifty per cent of the total product, it supplies forty millions of people with that product. Is that not enough? Mr. Taft's objection to this limitation can hardly be characterized as statesmanlike. He says:

"A corporation controlling forty-five or fifty per cent of the product, may by well known methods, frequently effect a monopoly and stamp out competition in a part of a country as completely as if it controlled sixty or seventy per cent thereof."

Why, then, does he not propose a lower limit? If the control of forty-five per cent may constitute a monopoly, why does he not suggest that as a maximum? It can not be because of any disin-