644. They are substantially contained in the

arguments I have gone over.

For these reasons, the industrial commission recommended the third plan, that under which the national government is now proceeding, supervision and regulation by the public. There are two methods of doing this recommended by the commission, only one of which has yet been tried. Besides these two methods, other things have been suggested, such as forbidding obnoxious corporations the use of the mails, and the administration of monopolies directly by the government; but neither of these remedies was thought advisable. The two recommended were: First, supervision and regulation by the method of reports and investigation by the bureau of corporations in the department of commerce which itself was recommended by, and created as a consequence of, this very report. Under this remedy, we include that of publicity with all consequent advantages. Secondly, they recommended a franchise tax to be imposed by the federal government upon corporations engaged in interstate commerce. As part of the machinery of raising this tax, it would be possible to get at all the information now obtained through the bureau of corporations by direct inquisition, and it would be indirectly obtained. It probably would not have subjected the government to the failure of its prosecution of obnoxious trusts, as has recently happened in Chicago.

### Congress at Fault

The industrial commission therefore directly recommended by a unanimous vote the adoption of this third plan and further recommended: That the district attorneys of the United States be authorized and required to institute proceedings for violations of the federal anti-trust laws or the other legislation contemplated by the recommendation; that there should be uniform legislation recommended as to combinations and conspiracies; that the laws of Massachusetts should be followed as to public service corporations against the watering of stock; that there should be an annual franchise tax calculated on the gross earnings of the corporation from interstate business; and that the bureau of corporations should be created. This last alone has been done. Congress, however, instead of passing the law recommended by the commission, that the examination, investigation and reports should be made by and required from all corporations equally, left the law in such a shape that it was optional with the executive officer or commissioner of corporations what corporations he should investigate, if indeed, he should investigate any at all. None of the taxation remedies, as I have said, were used at all. Mr. Phillips, the former chairman of the commission, concurred in all this report, his apparent minority report merely consisting in the addition of still further remedies.

# Only Big Corporations Favor Federal Incorporation

Now, whom do we find in favor of federal incorporation among the thousand witnesses examined by this commission and in the nineteen volumes of evidence and discussion by the commission and its experts? The legal and economic advisers of the commission in the main concurred with its results. In fact, the commission report was probably based somewhat upon their testimony. Among them were Messrs. Frank L. Stetson, J. R. Dos Passos, and other leading lawyers of New York; Professors Jeremiah W. Jenks and Ernest W. Hufford of Cornell University, then and since employed as an expert in all economic investigations by the government; and many other advisers. These were against federal incorporation. Now who were the witnesses in favor of it? They will be found in Vol. 1, page 236 of the commission's report. They were Mr. Archbold, vice president of the Standard Oil company; Mr. Rogers, president of the National Transit company; Mr. John D. Rockefeller, then president of the Standard Oil company; Mr. Gates, chairman of the American Steel & Wire company; Mr. Pan, general counsel of the American Steel & Wire company; Mr. Dill, a corporation lawyer from New York and author of the present New Jersey corporation laws; Mr. White, president of the National Salt Trust, and ex-Senator Dryden, head of the Prudential Life Insurance company.

My doubts, therefore, as to this revolutionary change in our economic and political condition, resolve themselves into four principles which I will state in the inverse order of their importance: First, the deprivation to the state of all the revenues now derived from the taxes on corporations other than their tangible property

and the loss of such revenue also by cities and towns. Secondly, the fact that I would rather have the Standard Oil trust, for instance, remain at the mercy of forty-five state legislatures besides the national congress than have all power to control it relegated to congress itself. Thirdly, that I am unwilling to take from the people of the states in their several localities the control of their own legislatures, town councils and boards of selectmen over all these instrumentalities which, more and more, are going to do the major part of all business; and to take from the state courts, the state boards, the state commissions, the state police authorities, all regulation over the bulk of our industrial life; and finally, and most of all, because I fear to entrust these vast powers to Washington; because I dread doing away with that system of national and state power which has carried us safely so far.

I have no doubt of the virtue of the United States congress. I do not question that in the main, they are patriotic and far-seeing men having only the interest of the whole people at heart and never the interest of any particular industry or any particular locality; but you should not strain their virtue too far. The centralization brought about by this system would be something only paralleled in the government of the czar. England is a small country, com-

pared with ours.

## GENESIS OF NATIONAL INCORPORATION

Our valued contemporary, the New York Globe, has performed a real public service in locating the father of the idea that a national incorporation law should be passed as a harbor of refuge for the trusts. This father is a venerable and well-known man. He is a personage of large property interests, philanthropic tendencies and oily manners. He became suddenly famous, in the recent presidential campaign, as the mentor and benefactor of a distinguished republican senator from Ohio. His office is at 26 Broadway. We see that you have already guessed his name. And you are right. John D. Archbold is the father of the federal incorporation scheme which is now presented to congress in a message written by President Taft and a bill drafted by Attorney General Wickersham.

Before the industrial commission of 1900 Mr. Archbold, while on the witness stand, gave this

testimony:

Q. You have stated that you would favor the formation of national corporations. Would you have the capital of those incorporated unlimited? A. I would have it unlimited, but would put

upon the issue such restrictions as to value involved as would fairly protect the public; I mean the general public.

Q. You would have these national corporations subject to the supervision of the commission, or some other governmental authority? A. Undoubtedly, as is the case under the Eng-

lish corporation law. Q. Do you think the formation of national corporations would overcome most of the objections that are now raised to corporations com-

monly called trusts? A. I do. I believe it would do away with all talk of monopoly, make every business free to all comers within the law and under the provi-

sions as now made. Q. Favoring national charters and national supervision as you say, would you go to the extent of favoring inspection of the books and af-

fairs of each concern, as the national banks are

inspected by government officials? A. I have not made a study of the subject so as to make a statement in detail as to what the supervision and restriction should be. I should say that is a question that ought to be carefully considered before expression is made, and I could hardly answer it today. On general principles I favor all fair supervision and making of statements that would enlighten the public.

It will be noted that Mr. Archbold, ten years ago, fairly covered the essential features of the bill which Mr. Taft now champions. He favored allowing these federal corporations to be capitalized at any figure they might desire, but "with such restrictions as to value as would fairly protect the public;" he would have them "subjected to the supervision of government authority," and he favored their being required to make such statements as would "enlighten the public." And he believed that this formation of national corporations would overcome the objections to the trusts and "do away with all talk of monopoly."

Mr. Archbold, of course is much more devoted to the federal incorporation idea now than he was ten years ago. For, as the president has pointed out, unless such a law is passed the

Standard Oil monopoly will soon have to dissolve, along with the sugar trust and the tobacco trust and other like oppressive combinations, or their officials will be subjected to the indignity of a penitentiary sentence. But if they can get their federal charters they can continue to do business as before, subject, of course, to "government supervision."

The only thing we are unable to understand is that some people refer to the federal charter bill as an "anti-trust" measure.—Omaha World-

Herald.

#### TIMELY QUOTATION

Peace, war, legislation, finance—what have the people to do with such things? Of course the people have to pay; of course the people have to serve; but that should suffice them. They have a place in policy; from them come two essential things, the army and the budget. To be liable to contribute, and to be liable to serve; is not that enough? What more should they want? They are the military and the financial arm. A magnificent role. \* \* The people give their blood and their money, in return for which they are led. To wish to lead themselves! What an absurd idea! They require a guide; being ignorant, they are blind. require a guide; being ignorant, they are blind .-Victor Hugo.

The Commoner will be glad to have its readers suggest for publication in this column some quotation that may be serviceable just now to

the American people.

#### SHARING PLUNDER

Speaking at Omaha, former Governor Joseph W. Folk of Missouri said something that deserves a place in every well regulated scrapbook. Governor Folk said:

"If it be said that the protective system is wrong, but as long as it is allowed we might as well get a share of the plunder for our own state, the answer is that sharing in the proceeds of robbery could as well be justified by claiming that since men will rob we might as well profit by this weakness of mankind. The real purpose of protection is to stifle competition, and to that extent help monopoly. The time has come to protect the people from monopoly instead of protecting monopoly from the people. It is claimed that under the protective system money is distributed by dripping down to the people from the overflowed pockets of the protective tariff barons; if that were true, the people would simply be getting back a part of that which was taken from them unjustly. Whenever a few men obtain more than they ought to have through privilege, there must be some who will have less than they should have. To say that when everybody pays too much for everything everybody is benefited is to state an absurdity. If the privilege of protection could be accorded to all alike, it would in the nature of things benefit no one. It is because it gives a few special privileges at the expense of the many that these few clamor so loudly for it, and it is for that reason the many should not submit to it."

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A VETERAN REPUBLICAN'S OPINION A special dispatch to the Omaha World-Herald follows:

Clermont, Ia., January 21.—At a quiet dinner party, where were present a few relatives and intimate friends, former Governor William Larrabee celebrated his 78th birthday yesterday. Many congratulatory telegrams from all parts of

the state were received.

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The former governor, who is a redhot progressive, had no hesitancy in making known his views on the present administration. He declared in a letter sent to Freeman R. Conway of Ames, in reply to a letter of congratulation, that very few people in the east are satisfied with Mr. Taft.

Mr. Larrabee has recently returned from an extended trip in the east, where he declares there is the same dissatisfaction in politics as exists in the west. Here are a few extracts from the letter:

"I found the political feeling among the rank and file the same as here. "Very few are pleased with Taft.

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"Roosevelt is still a favorite. "Old Joe will have to go and with him lot of machine followers.

"I notice that Dawson flees from the wrath to come. We can spare more of the same class.

"It would not be strange if the democrats controlled the next house."

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