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The Duty of Corporations

(Written for The Commoner by Governor Thomas R. Marshall, of Indiana)

Now and then a thoughtful man wonders whether after all, Solomon was not right when he declared that there was nothing new under the sun. When he considers the problems of today and their proposed solutions and accidentally finds in the records of the past, as he frequently does, problems and solutions similar if not identical, he is apt to wonder whether the inherent difficulty of our civilization consists as much in the problems being presented to it as in the points of view taken by those attempting to solve them.

One of the vital questions affecting the public weal at the present time is the corporate question. No one is opposed to the corporation per se. Most of us are agreed that the evils in corporate management about which we complain are evils which have arisen not from the law nor from the purposes for which the corporations were organized, but from the conduct of the men who control the corporations and their assumption that a creator has no control over its own creation.

It does not do us any great credit to find that more than one hundred years ago our forefathers recognized the danger of an uncontrolled corporation and it gives us pause as to our wisdom when we consider the precautions which they took to prevent the cupidity and arrogance of human nature from exercising functions which the state was not willing to grant and from imposing unjust burdens upon the people. Whether we will or not, questions relative to the perpetuity of corporations, the formation of monopolies, state control of corporations, corporate relief from liability on account of contributory negligence and means to prevent in-

jury from the insolvency of corporations, are great and vital questions to the American people.

Some few days since, in a quaint book published in the state of Tennessee, I found that upon the 14th day of November, 1801, the legislature of Tennessee created the first corporation in that state. It was known as the "Cumberland Turnpike Company," and its charter contained the following clauses:

"1. The company may make by-laws, rules and regulations not inconsistent with the laws of the state.

"2. It must measure and mile-mark the whole road, erect bridges and causeways, dig and level fields, hills and mountains to the width of fifteen feet, and maintain and keep the road in good order and repair.

"3. The life of the franchise is limited to a period of ten years.

"4. The corporation is required to execute a bond in the sum of \$2,000.00 with an approved security for keeping the road in safe condition and good repair.

"5. The governor is to appoint three commissioners, they or either of them, to review and examine the condition of the road once in each six months and report its condition to the governor.

"6. The company, on the completion of the road, is required to report to the governor that the road has been completed in accordance with the charter requirements.

"7. Thereupon the commissioners are to view and examine the road and if they report to the governor that the road has been completed in accordance with the true intent and meaning

of the charter, the governor shall issue a license to the company permitting it to erect gates and to collect tolls.

"8. The tolls to be demanded and received from the various kinds of vehicles, live stock, footmen, etc., are prescribed by the charter.

"9. The charter provided that if any person should sustain any damage on account of being detained by the keepers of said turnpikes, or on account of the road being out of repair, such persons should have an action against the company for the damages sustained.

"10. The charter fixes the compensation of the commissioners at \$2.00 per day while necessarily employed, which compensation should be paid by the corporation.

"11. It requires the road to be completed on or before the first day of September, 1802, in default of which all rights granted by the charter should be forfeited."

Here, in the far-off, early days of American history, a legislature upon the outskirts of civilization, granted a charter which prevented monopolies, maintained state control, provided against insolvency and granted to persons injured by the negligence of the company, damages.

The conclusion to be drawn from such an historical allusion is that the thing needed more than anything else, is a thorough knowledge of the rights of incorporators, the rights of the state and the duty of corporations toward the citizens of the state. I hope that this ancient bit of history may induce all right-thinking men in and out of corporations, to consider principles rather than profits when laying out a line of conduct.

WISH FATHER TO THOUGHT

The New York Tribune rejoiced over the rejection of the income tax amendment by the state senate in Arkansas and New Hampshire. But its manifestations of joy were premature, for Arkansas later went into line for the income tax. The Tribune exultingly declares that the amendment is losing ground. The amendment is not losing—it is gaining, but why does the Tribune oppose it? A republican president recommended the submission of the amendment; a republican senate unanimously supported the president's recommendation, and a republican house passed the necessary resolution with only fourteen dissenting votes. The last republican legislature in New York—a republican body—came within one vote of ratifying it. Why is the Tribune anxious to see the amendment defeated? What patriotic reason can it give for desiring to continue the present condition in which the nation is unable to collect an income tax even in war? If the Tribune will examine the vote by which

the amendment has been rejected—where it has been rejected—it will find that as a rule—not without exceptions, of course, but as a rule—the opposition has come from the predatory interests. Does the Tribune speak for these interests in opposing the amendment?

THE DELUDED FEW

Some of the senators who voted for Mr. Martin did so because they are like him—they have no sympathy with progressive ideas. Some have aristocratic reasons for holding the average man in contempt; others have plutocratic reasons for doing so. There is no hope for them—they ought to be retired as soon as possible. They are a millstone to the party until they are retired.

But several of Mr. Martin's supporters were deluded. They were pledged through a misunderstanding of the situation. They would have been glad to secure a release and will take the first opportunity to declare their independence. Watch them as the fight develops. They ought not to have been misled; they can give no valid excuse for voting for Mr. Martin, and they will have ample opportunity to regret it if they do not regret it now. They will spend the next year squaring themselves with their constituents. They may do even better under the fire of criticism than they would have done had they voted right. Let us hope so.

EXAMINE THE RECORD

Those who care to know why seventeen progressive democrats opposed Mr. Martin and why several who voted for him did so with reluctance, can find out by examining the record.

First—Let them inquire why he was elevated to the senate? Upon what record was his selection urged? To what influence does he owe his position?

Second—Let them inquire what part he took in the attempt to keep Virginia from favoring the election of senators by the people and why.

Third—Let them examine his championship

of the three million dollar appropriation to the railroads for the Washington depot and compare his vote with the vote of the congressmen from Virginia.

Fourth—Let them examine his record on district legislation affecting the street cars.

Fifth—Let them examine his votes with Aldrich and the tariff taxes for which he voted.

Let them examine his record on these and other questions and it will be easy to understand why seventeen democrats refused to vote for him. It will be hard to understand why any democrat should support him.

THE FARMERS' FREE LIST

The democrats in congress do well when they begin tariff revision by putting upon the free list something like one hundred articles largely consumed by farmers. The farmer has been the chief sufferer from the principle of protection and it is only fair that relief should begin with him. The reciprocity treaty is a God-send to him, not so much because it confers great benefits upon him but because it leads to greater reductions. The opponents of the reciprocity agreement have tried to hide behind the farmer but the "farmers' free list" will drive them from under cover and compel them to vote with the democrats or quit talking about the farmer. Look at the list!

"Plows, harrows, headers, harvesters, reapers, threshing machines, cotton gins and other agricultural implements—15 per cent ad valorem.

"Cotton bagging, gunny cloth and similar fabrics used as coverings, etc.—6-10 of a cent per square yard.

"Grain, buff and split leather—7½ per cent.
"Band, bond, belting, rough and sole leather—5 per cent.

"Boots and shoes made of bovine cattle hides or skins—10 per cent.

"Harness, saddles and saddlery—20 per cent.
"Leather cut into shoe uppers or vamps, etc.—10 per cent additional duty.

"Barbed fence wire—¼ of a cent a pound.
"Wire rods, strands or wire rope, woven wire

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