

sions, he taught the indispensable lesson of the need of wise kindness and charity, of sanity and moderation, in the dealings of men one with another.

"We should discriminate between two purposes we have in view. The first is the effort to provide what are themselves the ends of good government; the second is the effort to provide proper machinery for the achievement of these ends.

SECURING POPULAR RULE

"The ends of good government in our democracy are to secure by genuine popular rule a high average of moral and material well-being among our citizens. It has been well said that in the past we have paid attention only to the accumulation of prosperity, and that from henceforth we must pay equal attention to the proper distribution of prosperity. This is true. The only prosperity worth having is that which affects the mass of the people. We are bound to strive for the fair distribution of prosperity. But it behooves us to remember that there is no use in devising methods for the proper distribution of prosperity unless the prosperity is there to distribute. I hold it to be our duty to see that the wage-worker, the small producer, the ordinary consumer, shall get their fair share of the benefit of business prosperity. But it either is or ought to be evident to every one that business has to prosper before anybody can get any benefit from it. Therefore I hold that he is the real progressive, that he is the genuine champion of the people, who endeavors to shape the policy alike of the nation and of the several states so as to encourage legitimate and honest business at the same time that he wars against all crookedness and injustice and unfairness and tyranny in the business world (for of course we can only get business put on a basis of permanent prosperity when the element of injustice is taken out of it). This is the reason why I have for so many years insisted, as regards our national government, that it is both futile and mischievous to endeavor to correct the evils of big business by an attempt to restore business conditions as they were in the middle of the last century, before railways and telegraphs had rendered larger business organizations both inevitable and desirable. The effort to restore such conditions, and to trust for justice solely to such proposed restoration, is as foolish as if we should attempt to arm our troops with the flintlocks of Washington's continentals instead of with modern weapons of precision.

CONDITIONS COME TO STAY

"Flintlock legislation, of the kind that seeks to prohibit all combinations, good or bad, is bound to fail, and the effort, in so far as it accomplishes anything at all, merely means that some of the worst combinations are not checked and that honest business is checked. What is needed is, first, the recognition that modern business conditions have come to stay, in so far at least as these conditions mean that business must be done in larger units, and then the cool-headed and resolute determination to introduce an effective method of regulating big corporations so as to help legitimate business as an incident to thoroughly and completely safeguarding the interests of the people as a whole. We are a business people. The tillers of the soil, the wageworkers, the business men—these are the three big and vitally important divisions of our population. The welfare of each division is vitally necessary to the welfare of the people as a whole.

"The great mass of business is of course done by men whose business is either small or of moderate size. The middle-sized business men form an element of strength which is of literally incalculable value to the nation. Taken as a class, they are among our best citizens. They have not been seeking after enormous fortunes; they have been moderately and justly prosperous, by reason of dealing fairly with their customers, competitors, and employes. They are satisfied with a legitimate profit that will pay their expenses of living and lay by something for those who come after, and the additional amount necessary for the betterment and improvement of their plant. The average business man of this type is, as a rule, a leading citizen of his community, foremost in everything that tells for its betterment, a man whom his neighbors look up to and respect; he is in no sense dangerous to his community, just because he is an integral part of his community, bone of its bone and flesh of its flesh. His life fibers are intertwined with the life fibers of his fellow citizens. Yet nowadays many men of this kind, when they come to make necessary trade agreements with one another, find themselves in dan-

ger of becoming unwitting transgressors of the law, and are at a loss to know what the law forbids and what it permits. This is all wrong. There should be a fixed governmental policy, a policy which shall clearly define and punish wrong-doing, and shall give in advance full information to any man as to just what he can and just what he can not legally and properly do. It is absurd and wicked to treat the deliberate lawbreaker as on an exact par with the man eager to obey the law, whose only desire is to find out from some competent government authority what the law is and then live up to it. It is absurd to endeavor to regulate business in the interest of the public by means of long-drawn lawsuits without any accompaniment of administrative control and regulation, and without any attempt to discriminate between the honest man who has succeeded in business because of rendering a service to the public and the dishonest man who has succeeded in business by cheating the public.

"So much for the small business man and the middle-sized business man. Now for big business. It is imperative to exercise over big business a control and supervision which is unnecessary as regards small business. All business must be conducted under the law, and all business men, big or little, must act justly. But a wicked big interest is necessarily more dangerous to the community than a wicked little interest. 'Big business' in the past has been responsible for much of the special privilege which must be unsparingly cut out of our national life. I do not believe in making mere size of and by itself criminal. The mere fact of size, however, does unquestionably carry the potentiality of such grave wrong-doing that there should be by law provision made for the strict supervision and regulation of these great industrial concerns doing an interstate business, much as we now regulate the transportation agencies which are engaged in interstate business. The anti-trust law does good in so far as it can be invoked against combinations which really are monopolies or which restrict production or which artificially raise prices. But in so far as its workings are uncertain, or as it threatens corporations which have not been guilty of anti-social conduct, it does harm. Moreover, it can not by itself accomplish more than a trifling part of the government regulation of big business which is needed. The nation and the states must co-operate in this matter. Among the states that have entered this field Wisconsin has taken a leading place. Following Senator La Follette, a number of practical workers and thinkers in Wisconsin have turned that state into an experimental laboratory of wise government action in aid of social and industrial justice. They have initiated the kind of progressive government which means not merely the preservation of true democracy but the extension of the principle of true democracy into industrialism as well as into politics. One prime reason why the state has been so successful in this policy lies in the fact that it has done justice to corporations precisely as it has exacted justice from them. Its public utilities commission in a recent report answered certain critics as follows:

"To be generous to the people of the state at the expense of justice to the carriers would be a species of official brigandage that ought to hold the perpetrators up to the execration of all honest men. Indeed, we have no idea, that the people of Wisconsin have the remotest desire to deprive the railroads of the state of aught that, in equality and good conscience, belongs to them, and if any of them have, their wishes can not be gratified by this commission."

"This is precisely the attitude we should take towards big business. It is the practical application of the principle of the square deal. Not only as a matter of justice, but in our own interest, we should scrupulously respect the rights of honest and decent business and should encourage it where its activities make, as they often do make, for the common good. It is for the advantage of all of us when business prospers. It is for the advantage of all of us to have the United States become the leading nation in international trade, and we should not deprive this nation, we should not deprive this people, of the instruments best adapted to secure such international commercial supremacy. In other words, our demand is that big business give the people a square deal and that the people give a square deal to any man engaged in big business who honestly endeavors to do what is right and proper.

SUPERVISION NECESSARY

On the other hand, any corporation, big or little, which has gained its position by unfair

methods, and by interference with the rights of others, which has raised prices or limited output in improper fashion and been guilty of demoralizing and corrupt practices, should not only be broken up, but it should be made the business of some competent governmental body by constant supervision to see that it does not come together again, save under such strict control as to insure the community against all danger of a repetition of the bad conduct. The chief trouble with big business has arisen from the fact that big business has so often refused to abide by the principle of the square deal; the opposition which I personally have encountered from big business has in every case arisen not because I did not give a square deal but because I did.

"All business into which the element of monopoly in any way or degree enters, and where it proves in practice impossible totally to eliminate this element of monopoly, should be carefully supervised, regulated, and controlled by governmental authority; and such control should be exercised by administrative rather than by judicial officers. No effort should be made to destroy a big corporation merely because it is big, merely because it has shown itself a peculiarly efficient business instrument. But we should not fear, if necessary, to bring the regulation of big corporations to the point of controlling conditions so that the wage-worker shall have a wage more than sufficient to cover the bare cost of living, and hours of labor not so excessive as to wreck his strength by the strain of unending toil and leave him unfit to do his duty as a good citizen in the community. Where regulation by competition (which is, of course, preferable) proves insufficient, we should not shrink from bringing governmental regulation to the point of control of monopoly prices if it should ever become necessary to do so, just as in exceptional cases railway rates are controlled.

"In emphasizing the part of the administrative department in regulating combinations and checking absolute monopoly, I do not, of course overlook the obvious fact that the legislature and the judiciary must do their part. The legislature should make it more clear exactly what methods are illegal, and then the judiciary will be in a better position to punish adequately and relentlessly those who insist on defying the clear legislative decrees. I do not believe any absolute private monopoly is justified, but if our great combinations are properly supervised, so that immoral practices are prevented, absolute monopoly will not come to pass, as the laws of competition and efficiency are against it.

KEEP OPPORTUNITY OPEN

"The important thing is this: That, under such government recognition as we may give to that which is beneficent and wholesome in large business organizations, we shall be most vigilant never to allow them to crystallize into a condition which shall make private initiative difficult. It is of the utmost importance that in the future we shall keep the broad path of opportunity just as open and easy for our children as it was for our fathers during the period which has been the glory of America's industrial history—that it shall be not only possible but easy for an ambitious man, whose character has so impressed itself upon his neighbors that they are willing to give him capital and credit, to start in business for himself, and, if his superior efficiency deserves it, to triumph over the biggest organization that may happen to exist in his particular field. Whatever practices upon the part of large combinations may threaten to discourage such a man, or deny to him that which in the judgment of the community is a square deal, should be specifically defined by the statutes as crimes. And in every case the individual corporation officer responsible for such unfair dealing should be punished.

"We grudge no man a fortune which represents his own power and sagacity exercised with entire regard to the welfare of his fellows. We have only praise for the business man whose business success comes as an incident to doing good work for his fellows. But we should so shape conditions that a fortune shall be obtained only in honorable fashion, in such fashion that its gaining represents benefit to the community.

"In a word, then, our fundamental purpose must be to secure genuine equality of opportunity. No man should receive a dollar unless that dollar has been fairly earned. Every dollar received should represent a dollar's worth of service rendered. No watering of stocks should be permitted; and it can be prevented

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