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Private Monopoly Indefensible and Intolerable

So Says President Wilson in His Address to Congress, January 20, 1914

Gentlemen of the Congress: In my report "On the state of the Union," which I had the privilege of reading to you on the 2d of December last, I ventured to reserve for discussion at a later date the subject of additional legislation regarding the very difficult and intricate matter of trusts and monopolies. The time now seems opportune to turn to that great question; not only because the currency legislation, which absorbed your attention and the attention of the country in December, is now disposed of, but also because opinion seems to be clearing about us with singular rapidity in this other great field of action. In the matter of the currency it cleared suddenly and very happily after the much-debated act was passed; in respect of the monopolies which have multiplied about us and in regard to the various means by which they have been organized and maintained, it seems to be coming to a clear and all but universal agreement in anticipation of our action, as if by way of preparation, making the way easier to see and easier to set out upon with confidence and without confusion of counsel.

Legislation has its atmosphere like everything else, and the atmosphere of accommodation and mutual understanding which we now breathe with so much refreshment is a matter of sincere congratulation. It ought to make our task very much less difficult and embarrassing than it would have been had we been obliged to continue to act amidst the atmosphere of suspicion and antagonism which has so long made it impossible to approach such questions with dispassionate fairness. Constructive legislation, when successful, is always the embodiment of convincing experience and of the mature public opinion which finally springs out of that experience. Legislation is a business of interpretation, not of origination, and it is now plain what the opinion is to which we must give effect in this matter. It is not recent or hasty opinion. It springs out of the experience of a whole generation. It has clarified itself by long contest, and those who for a long time battled with it and sought to change it are now frankly and honorably yielding to it and seeking to conform their actions to it.

HONORABLE SURRENDER OF BIG BUSINESS MEN

The great business men who organized and financed monopoly and those who administered it in actual every-day transactions have year after year, until now, either denied its existence or justified it as necessary for the effective maintenance and development of the vast business processes of the country in the modern circumstances of trade and manufacture and finance; but all the while opinion has made head against them. The average business man is convinced

that the ways of liberty are also the ways of peace and the ways of success as well; and at last the masters of business on the great scale have begun to yield their preference and purpose, perhaps their judgment also, in honorable surrender.

What we are purposing to do, therefore, is, happily, not to hamper or interfere with business as enlightened business men prefer to do it, or in any sense to put it under the ban. The antagonism between business and government is over. We are now about to give expression to the best business judgment of America, to what we know to be in the business conscience and honor of the land. The government and business men are ready to meet each other half way in a common effort to square business methods with both public opinion and the law. The best informed men of the business world condemn the methods and processes and consequences of monopoly as we condemn them; and the instinctive judgment of the vast majority of business men everywhere goes with them. We shall now be their spokesmen. That is the strength of our position and the sure prophecy of what will ensue when our reasonable work is done.

When serious contest ends, when men unite in opinion and purpose, those who are to change their ways of business joining with those who ask for the change, it is possible to effect it in the way in which prudent and thoughtful and patriotic men would wish to see it brought about, with as few, as slight, as easy and simple business readjustments as possible in the circumstances, nothing essential disturbed, nothing torn up by the roots, no parts rent asunder which can be left in wholesome combination. Fortunately, no measures of sweeping or novel change are necessary. It will be understood that our object is not to unsettle business or anywhere seriously to break its established courses athwart. On the contrary, we desire the laws we are now about to pass to be the bulwarks and safeguards of in-

dustry against the forces that have disturbed it. What we have to do can be done in a new spirit, in thoughtful moderation, without revolution of any untoward kind.

PRIVATE MONOPOLY INTOLERABLE

We are all agreed that "private monopoly is indefensible and intolerable," and our program is founded upon that conviction. It will be a comprehensive but not a radical or unacceptable program, and these are its items, the changes which opinion deliberately sanctions and for which business waits:

It waits with acquiescence, in the first place, for laws which will effectually prohibit and prevent such interlockings of the personnel of the directorates of great corporations—banks and railroads, industrial, commercial and public service bodies—as in effect result in making those who borrow and those who lend practically one and the same, those who sell and those who buy but the same persons trading with one another under different names and in different combinations, and those who affect to compete in fact partners and masters of some whole field of business. Sufficient time should be allowed, of course, in which to effect these changes of organization without inconvenience or confusion.

Such a prohibition will work much more than a mere negative good by correcting the serious evils which have arisen because, for example, the men who have been the directing spirits of the great investment banks have usurped the place which belongs to independent industrial management working in its own behoof. It will bring new men, new energies, a new spirit of initiative, new blood, into the management of our great business enterprises. It will open the field of industrial development and origination to scores of men who have been obliged to serve when their abilities entitled them to direct. It will immensely hearten the young men coming on and will greatly enrich the business activities of the whole country.

HOW RAILROADS HAVE SUFFERED

In the second place, business men as well as those who direct public affairs now recognize, and recognize with painful clearness, the great harm and injustice which has been done to many, if not all, of the great railroad systems of the country by the way in which they have been financed and their own distinctive interests subordinated to the interests of the men who financed them and of other business enterprises which those men wished to promote. The country is ready, therefore, to accept, and accept with relief as well as approval, a law which will confer upon the interstate commerce commission the power to superintend and regulate the financial operations by which the railroads are henceforth to be supplied with the money they need for their

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