

# THE TAFT-WILSON TRUST PROGRAMME

EDITORIAL BY THEODORE ROOSEVELT

**D**URING my Administration, and since, I have first directed and tested, and then studied, the working of the Sherman Anti-Trust Law. When I came into office that law was dead; I took it up and for the first time had it enforced.

We gained this much by the enforcement: we gained the establishment of the principle that the Government was supreme over the great corporations; but that is almost the end of the good that came through our lawsuits.

Take the Northern Securities case. Under me that suit was brought to a successful conclusion. I at first thought that we had secured a definite and real solution of the difficulties, and my opponents thought so too at first and were very sore; but in the end it proved that all we had actually accomplished was what is said above. As one of the greatest magnates concerned afterwards remarked: "Well, when the smoke cleared away, I found that whereas formerly I had to prove my ownership by one bit of paper, I now have to prove it by two."

Take again the Standard Oil decision. The Standard Oil Company was nominally dissolved as a result of the suit against it. It was divided nominally into thirty-four different companies. For a moment there was a great deal of fright in Wall Street; and under the stress of that fright the big magnates for the time being thought they would come round and advocate the policy of control I had advocated, because, while that control would really control them, would hamper and limit them, at least they thought that they would thereby escape death. Then they found that it was only make-believe death to which they were exposed. And as a result of the suit for dissolution Mr. Rockefeller's property rose in value to a higher degree than it ever had gone before, and to an already sufficient fortune he added some eighty or ninety millions of dollars, while the price of oil went up to the consumer. Men who purchased Standard Oil stock on the curb in New York tell me that the sole difference is that, whereas formerly the broker would give them one slip of paper, now he gives them an envelope containing thirty-seven slips—that's all.

<sup>1</sup>In this editorial Mr. Roosevelt follows in substance, and for the most part in form, the course of thought on this topic which he followed in his address at Fargo, North Dakota, September 6.—THE EDITORS.

You recollect Mr. Pierpont Morgan said, "You can't unscramble the eggs in an omelet." This particular instance of trying to unscramble them didn't help anybody but the owners of the eggs, for it increased the value of the eggs indefinitely and made the omelet cost more to the general public. Now our proposal is not to try to unscramble the eggs by a mere succession of lawsuits, but to exercise such administrative control by the Government as will prevent the eggs from ever being scrambled.

Mr. Wilson in a recent speech in New York said that "no body of men would have the wisdom necessary to enable them to regulate the industrial processes of the country." I was much interested in that remark because it represents the exact attitude always taken by the respectable ultra-conservative in matters of this nature. Word for word it is what some of the great railway magnates used to say before the passage of the Inter-State Commerce Law. They used to say that "no body of men alive could undertake to regulate the complicated railway business." Other big men used to say the same thing when the proposal was to establish Public Utilities Commissions.

I appeal from the prophet of to-day to the way the facts have refuted the prophets of yesterday. There is no more difficulty in regulating the Standard Oil or the Steel Corporation than in regulating a big railway. We have actually made the Inter-State Commerce Law work. We have found by the test of actual work that the way to control the railways lies through increasing the power, and especially through increasing the application of the power, of the Inter-State Commerce Commission, by regulating and controlling those railways, and not by any development of the Anti-Trust Law. Real control of the trusts can come only by the adoption of similar expedients. What I want to see done with our industrial concerns is to see an Inter-State Industrial Commission established, which shall handle the Standard Oil, the Steel Trust, the Tobacco Trust, and every such big trust, through administrative action, just as the Inter-State Commerce Commission handles the railways, and with a power extended beyond that of the Inter-State Commerce Commission.

And Mr. Wilson need not bother himself

about finding men to administer such a law. If he cannot find them, I can and will. I will guarantee to find men who will be able to understand and supervise and regulate the business of those great industrial corporations.

Some of Mr. Wilson's supporters have said that our proposal is to "legalize monopoly" and his to "regulate competition." On the contrary, our proposal is to abolish monopoly and to restore competition where possible, and where this is not possible then absolutely to control the monopoly in the interest of the general public. His proposal is in effect to leave the present system unchanged; and the present system has just resulted in legalizing the monopoly of the Standard Oil and Tobacco Trusts. Substantially this has been the sole result, the only result Mr. Wilson's policy would achieve. His proposal is to do precisely nothing; his proposal is to continue in exactly the same course that the Taft Administration is now continuing; for the differences between the Republican and Democratic platforms on this matter are merely differences of sound and fury, and not of sense.

Mr. Wilson's proposal is to regulate competition by "dissolving" trusts in the way the Standard Oil and Tobacco Trusts were "dissolved." You know the prayer in Wall Street now is, "Give us another dissolution." Wall Street likes to have its property dissolved in that way. Every one of those dissolutions has been accompanied by a great rise in the value of the stocks, has legalized monopoly, and has conferred upon the trust magnates the great boon of being fortified by the law in their intrenchments.

On the contrary, the proposal of the Progressives is to put a stop to the continuance of the Taft-Wilson programme of further legalization of monopoly under the guise of a make-believe assault on monopoly. We propose by administrative action to control the conditions which, if left uncontrolled, lead to monopoly. We propose to restore competition where possible. But where this is not possible, we propose to have a real remedy instead of a sham remedy.

The talk about really controlling the trusts by regulating competition merely by lawsuits along the lines of the Anti-Trust Law, or of any amendment proposed to it by the Stanley Committee or by any one else—all such talk is the veriest nonsense. The proposals in the Democratic platform, so far as they could be enacted into law, would be of no help what-

ever. They would not change the present situation one little bit, except for the worse.

There is not a Wall Street man engaged in big business of the kind to which our people object, there is not a trust magnate, who doesn't regard with utter derision the talk of interfering with monopolies along the lines indicated by Mr. Wilson and his supporters. The only thing they fear is the kind of regulation that we Progressives propose to give them. Mr. Wilson's proposals are entirely satisfactory to them, quite as satisfactory as the actions of the present Administration; indeed, Mr. Wilson's proposals are so vague that they can hardly be called proposals at all; and the proposals of his supporters are either impracticable to adopt, or, if practicable, would work no real change in the present conditions. Accordingly, the enormous majority of the Wall Street men who have been guilty of the obnoxious practices in connection with trusts, having given up the hope of electing Mr. Taft, are now supporting Mr. Wilson; for they dread us as their only real foes, and know that the policies advocated by Messrs. Taft and Wilson represent, not real hostility, but only mock hostility, to the big crooked trusts—although these same policies do contain a serious menace to every kind of honest business, big or little, which does not rely for protection on adroit use of the chicanery of the law.

I call the attention of those who doubt our ability to regulate big business to what has happened with the insurance companies. Nine years ago the effort was made to limit them in size, much as the Stanley Committee proposes to limit industrial concerns generally. In actual practice this worked so badly that the effort had to be abandoned. At present the insurance companies are not limited in size, but they are supervised and controlled. There is plenty of competition among them, and the policy-holders are so well protected that they are entirely satisfied, those in the big companies more than those in the others.

The sum of the matter, therefore, is this: Mr. Wilson, like Mr. Taft, has no improvement to propose in this matter, for the differences between the proposals in the Republican and the Democratic platforms on the trust question are merely differences of declamation. Both sets of proposals indicate nothing but a vague, puzzled, and hopeless purpose feebly to continue the present futile policy of attempting to regulate the trusts by nothing but a succession of long-drawn and ineffective

lawsuits ; and if actually put into operation both sets of proposals would produce exactly and precisely nothing.

On the contrary, our proposals are definite and concrete, and are based on successful action along kindred lines in the past. If we are allowed to put them into action, we will immensely benefit the honest business man by making the law certain, and by punishing misconduct and not merely size ; and we will effectively, and not merely nominally, curb and control the big trusts which are actually or potentially guilty of anti-social practices.

I do not wonder that, in view of these facts, every big crooked financier is against us and in favor of either Mr. Wilson or Mr. Taft, in order to beat us. I am sorry to say that the great majority of the respectable men of great wealth seem to be against us, not realizing that it is really in their interest that we should exercise supervision over the business use of their great wealth. I feel that every honest and far-sighted business man, big or little, should be with us, for our purpose is to help energy and power in business life, so

long as the energy and power are used honestly and the public treated fairly ; and all the secondary business men, the moderate-sized business men, should give us their hearty aid.

We are proud of the energy and initiative and success of our business men ; we wish to see them prosper and build up American business to the highest pitch of efficiency, both at home and abroad, both in internal trade and in international trade. It is because we war intelligently against dishonesty in business, it is for the very reason that we efficiently oppose crooked business, that we have the right to ask the support of all honest business men ; for the Progressive party in its platform offers the only really good platform that the honest business man has had offered him, and makes the only efficient proposals that any party has made for the elimination of evil business practices and the control of big business so that it shall not be used against the interest either of weaker business rivals of the employees and other wage-workers, of the shareholders, or of the general public.