

## A "Trust Busting" Administration

Washington, D. C., August 19.—The trust-busting proclivities of the Roosevelt administration is the favorite theme of the republican romancer. Judged by actual results, however, the "big stick" is really something of very doubtful value. In the first place the president in hunting for trust-busters has partaken liberally of talent that, judged by their antecedents, would not seem to warrant the assumption that they would be so very apt to "run amuck."

As attorney generals he has appointed successively Knox, Moody and Bonaparte. The first was a trust attorney and is now a trust candidate for the presidency. The second was a good conservative congressman with a corporation practice and is now on the United States supreme court bench. The third, represented at one time in one capacity or another, nearly all the public service corporations of Baltimore. He is still the attorney general and is just at present gracing the office by holding a controversy over automobile laws with Marshal Collins of Glen Echo.

Of President Roosevelt's appointees to the department of commerce and labor, the first, Cortelyou, dignified the office by making it a sort of collecting agency of large campaign contributions from large corporations to finance Mr. Roosevelt's campaign in 1904. Mr. Cortelyou is now secretary of the treasury, in which position he has pleased President Roosevelt's alleged Wall Street enemies most mightily. They of the Exchange, it is rumored, would be glad to see Mr. Cortelyou succeed President Roosevelt, and it is also rumored that the president is not at all adverse to this program, if the Taft boom is punctured in its travels. The second appointee as head of the department of commerce and labor was Metcalf, also a good conservative congressman and a lawyer with a corporation practice. He is now doing what he can to provoke war with a friendly nation by sending our navy to the Pacific coast, from whence he comes, and where his political fortunes are said to be tottering. The third incumbent of the office is Oscar Straus, as yet untried. These are the president's sextet of trust-busters. Let us see what they have done in dealing with the criminal combinations that have violated the federal law against conspiracies in restraint of trade.

The following summary of the administration's anti-trust prosecutions is based upon a careful investigation made by a newspaper man unknown to your correspondent, and can easily be verified. First, a suit was brought to dissolve the Standard Oil company of Ohio, which did not dissolve for years, and that when it did, it became the Standard Oil Company of New Jersey, something stronger and more diabolical than ever before. The New Jersey company is still doing business in the same old way despite expensive investigations and threats of fines. Then we had the bill filed by Mr. Knox to destroy the Northern Securities merger. The supreme court gave the company an adverse decision, causing it some slight trouble for a few years. But the people back of the combination, Hill and Morgan, were not touched by the finding of the court. In fact they made more money out of the scheme after Knox and the supreme court had given them some gratuitous advertising than they did before. Of course the form of the merger was changed. But in substance it remained intact. Next came the prosecution of the beef trust and the immunity bath so cleverly applied to the packers by the president's tennis court pet, Mr. Garfield. The beef trust prosecution resulted in the enactment of a federal law by which the people pay several million dollars to inspect the packers because of conditions for which the packers themselves are responsible. The steers which are rejected are charged up against the cattle raiser by the beef trust. Thus the government pays several million dollars yearly to see that the beef trust gets good cattle. In the meantime the trust is still doing business according to old methods, as recent exposures show, giving short weights and raising prices. Then the terrible rebaters were haled into court, found guilty and sentenced. Sentenced to what? To pay into court a small part of the loot taken illegally from the people. Rebating is still a fine art, and widely practiced. Anybody who does not think so should read the decision of the inter-state commerce commission, No. 687, sanctioning the rebates by which the grain trust exists. Then Mr. Moody started to dissolve the Standard Oil

Company of New Jersey in a way unsuccessfully tried many years before by the Ohio courts. And now after suit has been pending since 1902, we are told that the coal trust will be prosecuted and the United States courts will dissolve the mergers said to exist by which the railroads control the anthracite output. It will be as hard to do this, by mandate of court, as it was for George W. Perkins to dissolve the merger that existed between him and himself in his two capacities as J. P. Morgan & Co., and as vice president of the New York Life. The anthracite companies are the railroads that tap the coal fields of Pennsylvania, and the railroad companies are the owners of the coal mines. They can not be separated except in one way, and that is to put the coal trust out of the railroad business, and the railroads out of the coal business. This is exactly what they have done in that Oklahoma constitution that our president says is so impossible and pernicious an instrument.

Briefly, the present much heralded trust-busting methods of the Roosevelt administration have not been effective, if judged by results. There is not a big trust in existence at the advent of the present administration that is weaker because of anything the administration has done, and there are several trusts that are actually stronger. The spirit may have been willing, but the means the administration has employed have proved futile. Like Pete, the White House bull pup, the administration's bark has been far worse than its bite. If corporations have violated the law, they have been fined, and in turn they have collected the fine out of the pockets of the people by raising their prices a fraction of a cent. Now the president threatens to appoint receivers for naughty corporations. Why not appoint guardians for naughty burglars and highwaymen? Did the administration ever hear of the criminal clause of the Sherman act by which heads of corporations guilty of the crimes which all our so-far futile and expensive investigations and court proceedings have disclosed, can be sent to jail? Here is the remedy. Why doesn't the present administration use it? The "big stick" is a thing of show after all. It is like the sword of state carried before the English king at coronation ceremonies. It is a large ugly looking weapon, but blunt and harmless, emblematic of mercy.

The penalty of \$29,240,000 imposed upon the Standard Oil company by Judge Kenesaw M. Landis of Chicago is enough to make one gasp. Probably no such fine has been imposed in the history of jurisprudence, but, after all, what does it mean? A newspaper correspondent who carried the sad tidings to John D. Rockefeller on his private golf links at Cleveland says that the eminent head of the disciplined company merely smiled and went on playing his game with unshaken nerves. This seems reasonable. Most people have a court of last resort if injustice has been done them. At the risk of being guilty of an Irish bull it may be said that Mr. Rockefeller has two courts of last resort. The sentence imposed by Judge Landis will go, of course, first to the federal court of appeals, thence to the United States supreme court. If it were anything save a complete monopoly that had been sentenced the judgment of the United States supreme court would end it, but if it be admitted, what is rather doubtful, that that august tribunal will approve in toto the Landis decision, Mr. Rockefeller and the Standard Oil company have yet one more appeal. All they have to do is to appeal, or rather to direct, their agents all over the United States to raise the price of oil one or two cents a gallon and the people will pay the fine, while the authorities of the law will get the credit of having imposed it.

In a rather obscure newspaper yesterday I saw a cartoon which thoroughly expresses the facts in this case; which indeed sets them forth more clearly than any written word could do. The stern judge on the bench is fining the Standard Oil company uncouthed millions. Mr. Rockefeller with that smile of benevolence which he has of late cultivated and with his hand on the shoulder of a somewhat undersized and cringing figure responds, in effect: "It is all right, judge, this gentleman will pay." The gentleman handing up his pocket book is labeled "The Consumer." In the end that is the result of all fines levied upon corporations that are purely monopolistic. They may pay for the moment, but they take it out of those who do business with them.

It is greatly to the credit of Judge Landis

that in a judicial opinion he expressed regret that the financial penalty was the only one he could impose. His decision should be a matter of serious discussion in the next congress. For if in an effort to destroy a monopoly by fines we merely fine the people who already suffer from being compelled to deal with the monopoly it is clear that the law is foolish, vain, and ineffective. Several public men ranging from the president of the United States down, have been preaching the doctrine that the way to destroy trusts, railroad discriminations, and other violations of free competition, was to put the offenders in jail. Not one is yet in jail. It should be the business of the Sixtieth congress to find out why such is the case, and if it is the fault of the law, to amend it, and if it is the fault of those who are supposed to enforce the law, to force them out of public place.

WILLIS J. ABBOTT.

## Washington Letter

Washington, D. C., August 19.—The mystery of the naval operations ordered by the administration becomes greater as the orders are made public. It is now announced that the Atlantic coast is to be stripped clean of battleships and cruisers. Not merely is Admiral Evans to be given sixteen battleships, but he is to have sixteen armored and protected cruisers as well. Not merely are there to be no ships left along the Atlantic seaboard, but four armored cruisers now on the Asiatic station are to be sent across the Pacific to join the colossal fleet at San Francisco. When all are gathered under one command Admiral Evans will be supreme over the greatest fighting fleet ever gathered together.

What is it all for? The silly little quarrel between a section of the American press and a section of the Japanese press, which never extended to the responsible governments of the two countries, has long since died out. The difficulty about Japanese schools in California concerning which the president remarked with characteristic moderation that he would enforce the will of the government if it took all the military and naval force at its command, seems no longer to be acute. Even if it were, sixteen battleships seem a rather powerful force to bring against stricken San Francisco. Is it to rehabilitate the political fortunes of Secretary of the Navy Metcalf. That statesman did not have high standing on the Pacific coast when called to the cabinet, and six months ago had lost whatever popularity he had. Or is it that the republican party on the Pacific coast is in such a dire state that it seems wise for its leader, who happens to be commander-in-chief of the army and navy of the United States, to send the whole navy thither that the sight of it may fire the California heart with enthusiasm?

Everywhere the navy is popular. Where ever a small squadron is gathered people flock to gaze upon it with pride. The most monstrous squadron or fleet the United States has ever seen visiting Pacific coast harbors one after another will have a marked effect upon the politics of that section. There are disadvantages in being politician and commander-in-chief at once, particularly when the country must pay the price.

That the victory of tariff revision is the plainest message now on the political signboard can be told by the actions of members even of the republican party which is responsible for that iniquity. In Ohio Mr. Taft, the revisionist, has thus far beaten at every point Senator Foraker, who stands as the exponent of high tariff ideas. In Iowa Governor Cummins practically drove Secretary Shaw, the standpatter, out of public life and has forced even the wary Allison to say in his customary cautious manner that before so very long the tariff must be revised.

The fight against monopoly in private hands, railroad extortions and aggressions and the robber tariff is well under way. But will the people commit its leadership to the generals in that party which has been responsible for all three evils.

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The government owes Mr. Rockefeller \$92.70 for witness fees. In view of what Mr. Rockefeller gave in return for that amount of money we are inclined to believe he is keeping right in line with precedent. We get about that much oil for the same money.