

# LIES WITH CONGRESS

## Attorney General Knox Tells How to Control Trusts.

### Points Out Some of the Evils of Commerce and Proposes Various Methods of Supervision—Safety in Common Law.

In an exhaustive address upon "The Commerce Clause of the Constitution and the Trusts," before the Pittsburgh chamber of commerce Tuesday night, October 14, Attorney General P. C. Knox declared that the power to regulate trusts lies with congress. The further power, he maintained, rests in the common law, which he said was always jealous of monopolies of public necessities in any form. Mr. Knox spoke as follows:

"Great combinations of capital, now numbering thousands, are the instrumentalities of modern commercial activity. Their number and size alone appal no healthy American. No right-thinking man desires to impair the efficiency of the great corporations as instrumentalities of national commercial development. Because they are great and prosperous, is no sufficient reason for their destruction. That there are evils and abuses in trust promotions, purposes, organizations, methods, management, and effects none questions, except those who have profited by those evils. That all or any of these abuses are to be found in every large organization called a trust no one would assert who valued his reputation for sane judgment.

"The corrupt and noxious features of trusts exist and possible are these: Overcapitalization, lack of publicity of operation, discrimination in prices to destroy competition, insufficient personal responsibility of officers and directors for corporate management, tendency to monopoly and lack of appreciation in their management of their relations to the people, for whose benefit they are permitted to exist. Overcapitalization is the chief of these and the source from which the minor ones flow.

#### Some Remedies Proposed.

"Corporations and joint stock or other associations, depending upon any statutory law for their existence or privileges, extending beyond their own states, should be required to do business in every state and locality upon precisely the same terms and conditions. There should be no discrimination in prices to prefer one state to another. Such corporations serving the public as carriers and in similar capacities should be compelled to keep the avenues of commerce free and open to all upon the same terms, and to observe the law as to its injunctions against stifling competition. Moreover, corporations upon which the people depend for the necessities of life should be required to conduct their business so as regularly and reasonably to supply the public needs.

"They should be subject to visitatorial supervision, and full and accurate information as to their operations should be made regularly at reasonable intervals. Secrecy in the conduct and results of operations is unfair to the nonparticipating stockholders, and should, as well for reasons of state, be prohibited by law. If these serious evils are eradicated and a higher measure of administrative responsibility required in corporate officers, a long step would be taken toward allaying the reasonable apprehension that the unchecked aggression of the trusts will result in practical monopoly of the important business of the country."

The attorney general then took up the question of the power of the government to regulate trusts, citing the constitution and legislation enacted on the subject. He continued:

"If congress under its power to regulate interstate commerce may utterly destroy a combination and prevent its property in interstate trade, as the Sherman act provides, because it restrains such commerce, it seems reasonable to say that it can in the exercise of the same power deny to a combination whose life it cannot reach the privilege of engaging in interstate commerce except upon such terms as congress may prescribe to protect that commerce from restraint. Such a regulation would operate directly upon commerce and only indirectly upon the instrumentalities and operations of production. If the Sherman act exhausts the power of congress over monopolies, the American people find themselves hopelessly impeded, facing a situation fraught with the most alarming possibilities, with which neither the federal nor state governments can deal.

#### Power Must Lie Somewhere.

"Plainly, the power must reside somewhere, either in the nation or in the states; but the effect of present doubts is to create a dilemma under which, apparently, all power vanishes. Conceding that the present law is not effective though, out the situation, we come to the final alternative: May not congress, under the existing constitutional grants, amend and extend the law, and thus remedy its defects and so effectively regulate national and foreign commerce as to prevent the stifling of competition, the regulating of output and price, and the restraining of national and international trade? If the answer to this question should be in the affirmative, a second question follows: How might congress so amend the present law?

"I do not scruple to say that in my judgment the more a thoughtful mind reflects on the first question, the more unhesitatingly will an affirmative answer be returned. That regulation by congress in this way would indirectly or remotely affect production would be no bar. The very point of the sugar trust case was that a consolidated scheme of production might lead to commerce, or might indirectly or remotely affect commerce, but did not for that reason invoke the federal power over commerce; and the illustration from the converse of the situation is significant on the point just stated.

#### Trusts Congress Has Right.

"Congress under this power prevents the importation or transportation of articles deemed injurious to the general welfare. Thus the law subjects the movement of explosives to safeguards and burdens, absolutely excludes impure literature and diseased cattle, convicts, and contract labor, and scrutinizes and prevents or checks many foreign and interstate movements, throughout the entire field of international and national intercourse, in the interest of all the people, on grounds of commercial, hygienic or ethical policy. Who shall set limits now, in advance of a carefully framed and judicially tested law, to the competency of congress to regulate commerce in the way suggested in the exercise of the legislative wisdom and in the wide discretion confided to it? Who shall say that the power of congress does not extend so far? I think it does. I am quite sure no one can now say that it does not.

"Every constitutional question is an open one until it is authoritatively closed by a decision of the supreme court.

"The president said in his first message he did not think the authority of congress to protect the people against the evils of the trusts had been exhausted. The views I have expressed are but an amplification of his.

"Public sentiment is sufficiently aroused and the situation is sufficiently grave to call for the effort the president is making to secure an authoritative exposition of existing laws, and suggesting additional ones to the end that the public mind shall be set at rest and these economic questions taken from the domain of controversy and uncertainty."

At this point Mr. Knox reviewed the recent cases brought by the government under existing trust laws, mentioning the railway injunction suits, the cotton pool cases, the "beef trust" cases, and the Northern Securities case.

#### Government Not Helpless.

Mr. Knox then continued as follows: "My whole purpose in what I have said is to challenge the proposition that we are helplessly helpless under our system of government to deal with serious problems which confront us in respect to our greatest interests. Since the radical questions of human rights and human governments have been settled, the production, preservation and distribution of wealth receive the chief attention of civilized peoples.

"The extent to which legislative control over commercial activities should be exercised is, of course, a question for legislative wisdom. We have the experience of the other nations to guide us in determining how far the delicate and mysterious rules of trade can be interfered with by positive statutes without injury. That experience teaches us that the least interference consistent with the preservation of essential rights should exist. Arbitrary regulations that restrain free intercourse are usually found to be unwise. Primarily it is for the congress to decide whether it has the power, and whether and to what extent it will exercise it.

#### Safety in the Common Law.

"The time never was when the English-speaking people permitted the articles necessary for their existence to be monopolized or controlled, and all devices to that end found condemnation in the body of their laws. The great English judges pronounced that such manifestations of human avarice required no statutes to declare their unlawfulness, that they were crimes against common law—that is against common right.

"It is difficult to improve upon the great unwritten code known as the common law. It condemns monopoly, and contracts in restraint of trade as well. The distinction, however, between restraints that are reasonable in view of all the circumstances and those which are unreasonable, is recognized and has been followed in this country by the courts. This distinction makes a rule that may be practically applied, and preserves the rational mean between unrestrained commerce and the absolute freedom of contract.

"A law regulating interstate commerce for its protection against restraint, so broad as to cover all persons whose business is conducted under agreements which are in any way or to any extent in restraint of trade, might exclude thousands of small concerns conducting industries in one state from marketing their products in others, but a law which only covers contracts and combinations in restraint of trade as defined by the common law would exclude all hurtful combinations and conspiracies. Congress can, if it sees fit, adopt the scheme of that law."

#### LOOK OUT FOR 1902.

### Indications Point to Republican Victory, But Continued Work Is Necessary.

The duty of the republican party is to win in 1902, and to attend to 1904 afterward. A week or two ago Joseph H. Manley, Maine's member of the republican national committee, said that while the republicans would be exceedingly likely to carry the country in 1902, it would be better for them in 1904 if they should lose this year. His idea was that the democrats, if they should carry the house of representatives this year, would so thoroughly disgust the people between the meeting of the next congress in December, 1903, and the election in 1904 that the republicans would be sure to sweep the country in the latter year. The same thing has been said by other republican politicians and by a few republican newspapers. This is a new position for republicans to take. Heretofore every republican of any prominence or influence has always taken the ground that it was his party's duty to win in every canvass in which this was possible, says the St. Louis Globe-Democrat.

Of course, a democratic victory for congress in 1902 would be likely to bring all the elements of the republican party into harmony immediately. But the risk of a democratic victory would be too great for the republicans to take. The country has an interest in the canvass in 1902, as well as in that of 1904, and this interest demands that the republicans should put forth their best efforts to hold their control of congress. Much important legislation is to come up in the second half of the present presidential term. If the democrats should carry the house this year all this legislation would be blocked. The republicans will have the president and the senate in any case, and if the democrats carry the house a deadlock will be the result, and no important legislation of any sort can be enacted. This is a contingency which such republicans as Mr. Manley should keep in view. All experiments with fate should be avoided this year. The disastrous consequences of democratic victory in 1892 are so recent that republicans should not invite any such calamity again while the recollection of this one is so fresh in the popular mind as it is to-day.

All the indications point to a republican victory in 1902. Such disagreements as seem to exist among the republicans on the tariff or on any other question are more apparent than real. They can win if they make a serious attempt to win, and probably they will do it. So much is at stake that a republican setback this year would be inexcusable. The country is looking for a republican victory. It unquestionably wants a republican victory. A democratic triumph in November would give rise to a fear of a democratic victory in 1904, and the calamitous consequences of such a thing can easily be guessed. The country at this time is having a greater degree of prosperity than was ever before known. Wages are high, and everybody who wants work has it. A victory for the democrats in the approaching election would disturb this state of things. It would check enterprise, make capital distrustful of the future, and slacken all sorts of business activities. A rousing republican victory is what the country demands in November, and this is what the republicans can furnish if they rise to the level of their duty and opportunity.

# A GREAT PRESIDENT.

## Roosevelt Has Proven Himself Cautious and Conservative, Patient and Steadfast.

Those who have imagined Theodore Roosevelt to be impulsive in temper or rash in action have only to consider his conduct of the last few weeks to be convinced of their error, says the Chicago Inter-Ocean.

By his intervention in the coal strike the president was doing his duty—not a duty enjoined upon him by the letter of the law, but inherent in his office—the duty of every chosen magistrate of the people to take heed of the people's welfare—the duty of a chosen leader to lead.

In the discharge of this plain duty Theodore Roosevelt found his motives maligned, his mandate from the people denied, his good intentions scouted, his benevolence flouted, his guests insulted in his presence, his appeals wantonly disregarded, the dignity of his office trampled upon and his purposes insolently defied.

If Theodore Roosevelt had been really impulsive, rash, hasty or headstrong here was a situation in which those qualities would have appeared. No impulsive man, no man without the fullest control over himself, would have endured these affronts to himself and to the dignity of his great office.

If Theodore Roosevelt had for one instant forgotten that he was president of the United States and as such must be ever ready to sink personal consideration and to make any individual sacrifice for the public good, he would have resented these affronts with every one of the vast and multi-



"JUST WHAT I WAS LOOKING FOR."

plied powers which the people have placed in his hands.

But the president saw that here the vital interests of the American people could not be served by a San Juan charge—that the solution of this problem demanded not only courage and resolution, but also tact and infinite patience.

And Theodore Roosevelt, while abating no jot of resolution, was patient and long-suffering. He demeaned himself as became the chief magistrate of the prudent, patient, and law-abiding American people. Having defined the issue unmistakably—having shown the people the cause of their suffering—he waited. He could afford to wait, and he knew how to wait.

And he won. He won for himself and for all the people. He won absolutely, completely, and without conditions. He won not by using the vast powers of his great office. He won by directing straight at the point of resistance, and by maintaining upon that point, the unceasing and unrelenting pressure of public opinion.

No rash, hasty, or impulsive man could have won such a victory by such means. Only a cautious, patient, conservative, steadfast man—a man great enough to ignore every provocation—a man strong enough to refrain from using his strength—could have won such a victory.

And by that victory Theodore Roosevelt has approved himself not only courageous but cautious, not only resolute but patient, not only fearless but devoted to his people's weal, as strong in endurance as in action—a great president.

#### OPINIONS OF THE PRESS.

They are saying that the only skillful riding performed in Tom Johnson's circus is when he straddles the silver question.—Galveston News.

Has anybody heard of any prominent democrat, official or private citizen, politician or otherwise, trying to settle the strike?—Indianapolis Journal.

We gather from Editor Bryan's complaints that he was ambulating along on the trail of the trusts when Mr. Roosevelt came rough-riding after them and jostled the Nebraska out of the right of way.—Baltimore American.

Some of our democratic exchanges are criticizing President Roosevelt's recent speeches because of what they term "sacrifice of official dignity." Between the lines, however, you can discern that they are annoyed because he is playing havoc with some of their campaign issues.—Memphis Revue.

Notwithstanding the tariff war which Germany is supposed to be waging against American products, this country continues to be a good customer of the kaiser's realm. The exports from Germany to the United States during the last quarter were \$31,527,923, an increase of \$7,107,953 over the previous quarter. What has become of that free trade contention to the effect that protection prevents us from buying from or selling to other nations?—Troy Times.

# DON'T FORGET 1892.

## Democrats Striving to Lead the People into a Repetition of the Grievous Mistake of That Year.

Exactly ten years ago the majority of the people of the United States was being misled into the disastrous blunder whose results were for four years thereafter a source of constant and deep regret to thousands of honest voters who had permitted specious misrepresentations temporarily to overcome their intelligence and good judgment.

Believing that memory is short enough already to have left behind the bitter experience of those years, the democratic party is seeking to mislead the people into a repetition of their grievous mistake of a decade ago, says the Albany Journal.

Then the cry was that "the tariff is a tax." Now it is, that the tariff is the "mother of trusts." Then the specious argument was that the equivalent of the respective import duties was added to the prices of the commodities upon which duties were imposed. Now it is that the tariff is enabling the great industrial combinations to exist, that they are oppressing and robbing the people—the statement is made general; specific instances are never cited—and that therefore the combinations should be destroyed through abolition of the tariff.

It is in order at this time, when another attack upon the protective system is being made, for every American citizen to think back to the time when the Wilson law had removed part of the tariff that had been falsely denounced as a tax. Commodities be-

came cheaper, but the people had no money to buy, market values fell still lower. No profits remained for producers, wages had to be reduced, hours of labor shortened, thousands of workmen had to be discharged, mills and factories and furnaces and workshops became empty, and from the midst of industrial and commercial stagnation low prices mocked the masses who could not obtain the money with which to make purchases.

But one need not dwell on a description of those conditions. Mere reference to them will revive their memory vividly in all minds. In 1896 the republican party was welcomed back to power with open arms with rejoicing and with the confidence that it would bring back prosperity. To do that was not an easy task. In any other country it would have been a task of years. But the splendid recuperative power of this nation came into play, and the re-institution of republican policies quickly had gratifying effect. Prosperity returned; it has abided with us, and grown, and is still growing.

In 1900, the representatives of the republican party in national convention assembled made this declaration: "We renew our faith in the policy of protection to American labor. In that policy our industries have been established, diversified and maintained. By protecting the home market competition has been stimulated and production cheapened. Opportunity to the inventive genius of our people has been secured and wages in every department of labor maintained at high rates, higher than ever before, and always distinguishing our working people in their better conditions of life from those of any competing country. Enjoying the blessings of the American common school, secure in the right of self-government and protected in the occupancy of their own markets, their constantly increasing knowledge and skill have enabled them to finally enter the markets of the world. We favor the associated policy of reciprocity so directed as to open our markets on favorable terms for what we do not ourselves produce, in return for free foreign markets."

On June 24 of this year, Senator Gallinger, speaking on his resolution "that the phenomenal prosperity in all lines of business and industry in the United States is largely due to the existing tariff law, and the best interests of the country demand its continuance," said at the conclusion of his address: "Our friends on the other side are looking for an issue. They need not worry; the issue is looking for them. Prosperity is the issue, and all other questions are secondary. The American standard of living, American manhood and American homes are but the sequences of a protective tariff which brought to us and will continue to give us an unparalleled age of luxury, an unparalleled era of prosperity."

The national debt is now below the thousand million point, the statement of September 30 giving it, less cash in the treasury, as \$957,415,887. July 1, 1896, it was \$2,773,236,173. Nearly all of the reduction has been made by republican administrations.—Indianapolis Journal.

Senator Hanna made short work of free trade as a remedy for trusts in his Marietta speech: "I have no patience to discuss free trade as a remedy for trusts. It is perfect rot."—Des Moines Register.

# FRESH WAR STORIES

## How Gen. Rosecrans Was Notified of His Promotion.

### A Surprise Which Delighted the Old Warrior as Well as His Friends—Unique Forging Expedition.

[Special Washington Letter.]

GENTLEMEN, I propose a toast to the health of Maj. Gen. Rosecrans, the hero of the Iuka.

The veterans of the Grand Army of the Republic were gathered in the national capital; reassembled for the last time on earth, probably, in the capital city of the great republic which they saved from destruction. God bless them! Every one of them is a hero brave; every one of them a timber strong that made the bulwark of liberty and union perpetual.

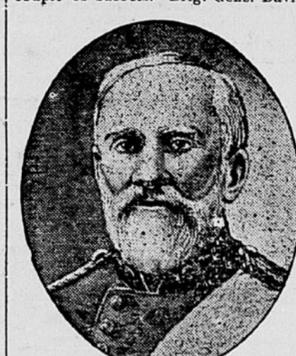
"We returned to the paths of peace," says Gen. Harrison Allen, of North Dakota, "but every one of us has lived in the memories of those four years in the tented field, and often even until this day our dreams are of the field, the march, the skirmish, the battle, hospital and death's trenches. Yes, we returned to the ways of peace, but those years of campaigning made us soldiers for the rest of our days. You young folks could not see it in our faces nor in our eyes, but down in our hearts we often longed for the old days when we might meet 'the boys' with whom we stood shoulder to shoulder."

As they came from north, south, east and west, in every group there was a songster or a trio or quartette, singing: "We are coming, Father Abraham, three hundred thousand strong." That was a popular song 40 years ago, in all of the homes of the land, as well as in the armies. It referred to the calls made by President Lincoln for 300,000 more soldiers, from time to time. And as the old boys were gathered here, they burned their memories by singing the old song, and many others of by-gone days.

And the stories of experience which they told ought to be all printed in thousands of volumes, for the entertainment of all future generations, and for the inspiration of patriotism in the hearts of the young men of generations yet unborn. Here is one of the best of them all, and it is told of one of the best soldiers that ever lived, dear old Gen. Rosecrans, whom every soldier loved and whom every brave soldier knows went to his grave with a heart sore, because his grand services were requited with indignity by a few petty politicians and self-seeking coffee coolers who called themselves soldiers.

"I was fortunate enough to be at staff headquarters when the dispatch came making Rosecrans a major general," says Capt. W. Scott Belden, of Iowa, who served with gallantry and distinction throughout the war in the old Second Iowa cavalry. The great statesman, Hepburn, who has been foremost in securing an isthmian canal, was colonel of that regiment.

"The dispatch was taken by Quartermaster Tighe," continued Capt. Belden, "and he called several officers about him, saying: 'Let us keep this from the Old Man until we can get some shoulder straps made for him.' Everybody agreed, and I hastened to my company tent and called on Steve Woodhurst, a private soldier who was an excellent tailor. We rigged up a table for him on a couple of barrels. Brig. Gen. David



GEN. W. S. ROSECRANS.

S. Stanley and Charles S. Hamilton tore off their shoulder straps and handed them to the tailor.

"You must understand that brigadier generals have one star on each shoulder and major generals have two stars on each shoulder. Well, Woodhurst took those four stars and went to work. Inside of half an hour he had made a fine set of major general's shoulder straps, and then we brought him 'Old Rosey's' dress coat. He sewed on the straps, and we sent for the Old Man to come to a little surprise party."

"We took the long fly of a hospital tent, which stretched about 50 feet in length, and under that, with barrels and boards, we made a long table. We had about five gallons of commissary whisky in the middle, and each one of us officers had a tin-cup in his hand. Each officer had a little whisky in his cup, and I had a plenty in mine. Gen. Hamilton stood at one end of the table, and as Gen. Rosecrans came in he raised his tin-cup, saying: 'Gentlemen, I propose a toast to the health of,' and there he stopped.

"Gen. Stanley and a couple of other officers tore off the old brigadier's

blouse and put the dress coat on the Old Man and I saw him glance at the shoulder straps as the coat came onto his arms. Then Gen. Hamilton completed the sentence: 'To the health of Maj. Gen. Rosecrans, the hero of Iuka.'

"We drank our commissary whisky and cheered. The Old Man tried to make a speech, but he couldn't. He was completely surprised, for he did not know that his skill and bravery had thrilled the whole country and compelled the recognition of a reluctant department. We all went up and took him by the hand, and his eyes were moist. His voice was thick with emotion. Finally Gen. Stanley read the telegram aloud, and again we cheered and emptied our 'in-cans of commissary nectar.'

At the recent funeral of Gen. Rosecrans, at Arlington National cemetery, Speaker Henderson said: "When the armies of Price and Van Dora



CAPT. SCOTT BELDEN.

were pressing our lines and there were symptoms of falling back, Rosecrans suddenly dashed between the federal and confederate lines like the very spirit of war. It passed but a few steps from where I was. I can feel his presence yet. His hat had blown off. His firmly-set face seemed as though he was made for a god of battle. Swinging his sword he called out to us: 'Stand firm, my men, for your flag and country.'

"How he escaped, God only knows. The very air was full of lead, and death was holding high carnival along his pathway; yet fearlessly he rode into the very teeth of death, successfully rallying his men for the mighty struggle before them."

Capt. Scott Belden, who narrated the story of the surprise party at headquarters, has long been a temperance man, but in army days, and for some years subsequently, the old soldiers all took naturally to commissary whisky, as indicated in the story told. One of Belden's friends narrates the following about him:

There was a reunion of the veterans of the Second Iowa cavalry, at Anamosa, Ia., and when Belden arrived he found the boys playing cards and drinking ginger pop, sarsaparilla and other very unsoldierlike beverages. Belden inquired for the whisky, and was informed that in that prohibition town there was no whisky, except at a drug store where it might be procured in small quantities on a physician's prescription. Belden simply remarked: "I'm going out on a foraging expedition," and inside of an hour he reappeared with a big tin pail full of whisky.

He first went to the drug store, rushed at the German-American proprietor, calling: "Give me a pound of flax-seed, a pint of linseed oil, and a pint of turpentine, as quick as possible, I must save the life of that horse, so please hurry."

The goods were hastily prepared, and throwing a ten-dollar bill on the counter, Belden rushed out saying: "Never mind the change just now. Time is everything with me."

Then he went and bought a new tin pail, and covered the bottom with pure spring water. Hastening into the drug store, he shouted: "Pour a gallon of whisky onto this turpentine, quick, and I'll save that horse yet." Then he added: "Don't stop to measure it, just fill up the bucket and hurry up."

The deed was done. The pure water looked like turpentine and the druggist was unsuspecting. So Belden carried the whisky to the boys, and renewed his war-time popularity with them. But he wouldn't get whisky for anybody nowadays.

Col. Harlow A. Street, of California, says that Grover Cleveland did not treat Gen. Rosecrans with exact fairness in his first administration, and when Cleveland's second nomination was announced Gen. Denver asked Rosecrans what he thought of the nomination, whereupon the general replied:

"When I was a cadet at West Point our class had a month of holiday, camping out. We selected a cook by lot with the understanding that the cook should serve until someone complained and then the complainant must be cook. We all had a good time for a week except the cook, who had to remain in camp. One of the cadets was a Massachusetts boy who liked pie for breakfast, and placed some fine apple pies, and cooked one of them right in front of the Yankee. He grabbed a big piece, pushed half of it into his face, and then spat it out, howling about the sickening amount of salt.

"I'm sorry you don't like it," said the cook. "It is the best I can do, so you can try cooking for awhile. That is good pie. I like it very well," and cook proceeded to eat a piece of it himself in the presence of all."

So Rosecrans, after narrating the story, said: "As to the nomination, I must say I like it." SMITH D. FRY.