NATIONAL POLICIES OUTLINED BY TAFT

Six Thousand People Hear Address at Armory in Which Tariff Is Discussed.

INCOME TAX IS INDORSED

Large Hall Is Filled to Capacity With Enthusiastic Audience and Thousands Are Unable to Gain Admission.

(Continued From First Page.)

on the powers of the Executive in protecting resources from waste and from monopolistic control.

Armory Is Filled Early.

Long before the President reached the Armory the great hall was filled to its utmost capacity. Members of the National Guard who had duties in and about the building say that people went to the hall in the middle of the afternoon seeking seats, which they expected to hold until the hour set for the President's address. When the doors were finally opened to the assembled throng several thousand persons were unable to gain an entrance. They banked themselves around the Eleventh street door and blocked the street in the hope that the President's words could be heard through the wide portal. Two or three thousand others, disappointed in not getting into the Armory, assembled at the Tenth street entrance seeking a glimpse of the President as a partial recompense for leaving their homes.

It was 8:10 o'clock when the escort of 20 gray-haired members of the G. A. R. who had served as an escort for the President from the hotel to the Armory filed into the hall and took front seats that had been reserved for them. A few minutes later President Taft entered upon the floor of the hall at the right of the stage, where uniformed National Guardsmen were lined up in salute. As the President stepped over the threshold a band in the gallery struck up "The Star Spangled Banner" and the Chief Executive mounted to the platform to look out over a sea of frantically waving hats and handkerchiefs and a standing mass of wildly cheering people.

Applause Again Breaks Out.

President and audience remained standing until the National anthem had been concluded and then Joseph Simon, Mayor of Portland, presented the President in a few simple words.

Again there was a tremendous greeting of applause and again the President favored a Portland multitude with the smile of which so much has been said.

Aside from the greeting accorded to himself President Taft aroused the greatest enthusiasm when he said that the Republican platform promised that this Administration would carry out the policies of Theodore Roosevelt and the Administration proposed to keep that promise.

Law Should Not Be Strained.

Hardly a shade less enthusiastic was the approval shown by the audience to the declarations against monopolies and boycotts. These came close together and in connection with his discussion of the anti-trust law. The President said that the application of the anti-trust law to boycotts as they affected interstate trade was not contemplated in the framing of the bill. In declaring that he would never countenance a law that recognized the legality of boycotts, the President insisted, however, that the way to suppress them was not in straining a statute to meet a condition for which the law had not been intended as a remedy. He expressed the conviction that the anti-trust law should be narrowed so as not to be capable of such construction.

The keeping of corporations within the law in their operations was another important theme of the President that ran through his discussion of the corporation tax provisions of the Payne tariff law and his every utterance on this subject struck a responsive chord.

President Taft's voice was in good condition and he spoke apparently without effort in tones that carried to the farthest recesses of the auditorium.

President Taft was introduced by Mayor Simon, who spoke as follows:

Fellow Citizens, I have the honor and the very great pleasure of presenting to you one who needs no introduction at my hands, the President. (Cheers.)

President Taft thereupon spoke as follows:

President's Speech in Full.

Ladies and Gentlemen, Citizens of Portland: I wish to extend to your distinguished Mayor and to your people of this beautiful city my heartfelt acknowledgement for the cordial reception which I have had at your hands since reaching your city this morning. I wish to thank the veterans of the Grand Army for the honor which they have done me tonight in escorting me to this hall. (Cheers.) I appreciate the motive of these men who helped preserve the Union, who recognize in me the Commander-in-Chief, under the Constitution, of that country which they did so much to preserve and save. (Cheers.)

I am going tonight, my friends, if my voice holds out, and your patience holds out, to take a little review of the present Administration, of what it has done, and of what it has agreed to do. In the first place the party of the Administration agreed to revise the tariff, and, in my judgment, that agreement involved a revision downward. Because, under the theory of the protective tariff after a ten years' trial, the effect of competition ought to have made rates of tariff less generally necessary than they were ten years ago. Now the tariff bill which was passed was, in my judgment, a substantial revision downward, but it was not, in certain important respects, in compliance with the terms in respect to the woolen schedule, and, perhaps there might be some other things mentioned of that character, but the truth was, that the states that were interested in the manufacture of woolens and the states that were interested in the preservation of the woolen industry united together and prevented a change of that tariff, which had been reached by agreement after very difficult negotiations.

Bill Best Ever Presented.

Now the question was whether, because that bill did not, in all respects, comply with the terms of the party, members of the House and of the Senate should decline to vote for it, and the President should decline to sign it. After thinking the matter over, I became convinced that it was my highest duty to sign it, for the reason that while, in certain respects, it was defective, it was, nevertheless, the best tariff bill which the Republican party had ever offered to the people, and it was necessary that a tariff bill should be passed, in order that the prosperity which we were awaiting should come. As long as there remained unsettled the important question of the tariff, business would not resume with the prosperity and the energy and the enterprise which it would have when business conditions became settled.

Again, we are engaged in running a government by party, and because some of us are disappointed with respect to some things that the party does not do, if we think that party considerations are of high importance, if we think that in order to accomplish anything we must have solidarity of party, then we may well weigh our personal predilections with reference to some issues, in order that we may maintain a strong party front and accomplish affirmatively the steps that we believe we ought to accomplish. (Great applause). It is easy enough to break up a party; it is easy enough to prevent legislation but when you are charged with the responsibility before the country of carrying legislation, then you have got to have a party behind you. (Great applause).

Problem of Tariff Law.

Now, that tariff bill not only affected the tariff of the United States, but it also provided an additional means of taxation in order to meet the deficit which was promised, unless some other method of taxation was added to that of the customs and the then existing internal revenue. At first it was proposed to have an inheritance tax, and I recommended that, but the Senate found protests from all the states that they had occupied that field of taxation, and that they desired the United States to keep off that reservation. Accordingly, the question arose, what should we do?

It was proposed in the Senate to pass an income-tax law, to pass a law that had been declared by the Supreme Court of the United States to be unconstitutional. That court had held that an income tax was a direct tax, and that a direct tax, under the Constitution must be levied in accordance with the population of states. Nevertheless there was a majority in the Senate of Democrats and Republicans in favor of passing that bill unless some substitute could be devised which would satisfy the Republicans who were in favor of an income tax, and not involve the passage of a bill which had been declared to be unconstitutional. Accordingly it was proposed to have what is now known as the corporation tax, and also to pass an income tax amendment to amend the Constitution; that is, to propose to the states to amend the Constitution by providing that an income tax might be levied without apportionment as to population between the states. And, accordingly, by almost the unanimous vote of both houses that amendment has been proposed to the people of the United States, and the corporation tax was passed by tariff bill.

Income Tax Is Favored.

I propose, first, to allude to the income-tax amendment, which may come up at any time in the Legislature of any of the states. I sincerely hope that when it does come up it will pass in each state (great applause), and the reason why I hope so is that I think that such a power in times of need and disaster is necessary for the Central Government to maintain itself, and I would not take from the Central Government a power which in war is necessary to save that Government (great applause).

We had an experience in the Civil War in respect to the matter. An income tax was levied, and it was supposed, by reason of judicial decision at that time, that the income tax was constitutional, but since that time, as you know, by a late decision—I say late, in 1895 or 1897—it was held to be unconstitutional. I am not in favor of levying an income tax such as that which was provided in the bill in times of peace. I am not in favor of it because I think it will prove to be too inquisitorial as to individuals, and I think it will be found also that it puts a premium on perjury, so that the gentlemen whom you are especially after, when you levy an income tax, will escape, and only those which are too conscientious will pay more than their share (great applause). In times of dire need it is necessary that it should use such a tax, objectionable as it is in certain of its features, and, therefore, I hope it will pass the states.

Now, what is the corporation tax? That is a species of income tax, which the Supreme Court has said was constitutional. It proposes to levy 1 per cent on the dividends of all corporations as an excise tax, upon the business which they do as corporations. Now, if I understand the decisions of the Supreme Court, that is held not to be a violation of the Constitution, because that is not a direct tax, but it is only a tax on business; it is an excise tax. That brings under Federal control in a sense and under Federal supervision in a sense all corporations. The tax is not levied on incomes of corporations less than $5000, but all corporations for gain are required to file returns which show their gross receipts, their expenses, their debts, bonded and otherwise, and certain other general facts which will show their conditions and enable the tax-gatherer to assess the proper taxation.

Probe May Be Used.

If the Commissioner of Internal Revenue shall have reason to believe by evidence that those returns are inaccurate in any case, then he may send an agent who shall examine the corporate officers and the corporate books and such other witnesses as may be necessary to determine what the actual condition of the corporation in question is.

Now, that is a qualified publicity provision with respect to all corporations of the country, and I think it is an excellent incidental benefit of the corporation tax. It is said it is not fair, because on one side of the street is a partnership that is not a corporation, doing exactly the same business that the corporation is doing on the other side of the street. But the corporation on the other side of the street has certain advantages in doing its business which are not enjoyed by the partnership. One advantage, and a very decided one, is that the partners are liable in all their estate for the debts of the partnership, whereas the share-holders in the corporation are liable only to the amount of their stock, or, under some state constitutions, to double that. Again, the corporation lives forever; a partnership dies with the death of one of the partners. Other advantages may occur to you, but those two are sufficient to make a distinction. If the corporation does not choose to continue, and they can divide back again into a partnership, they can do so, and nobody will charge them a tax, but as long as they enjoy the privilege of doing business as a corporation, and carrying on their business with that advantage, then the Federal Government has a right to levy, and it seems to me it is a wise tax for the Government to levy. (Applause).

It is not a heavy tax—1 per cent—it is 1 per cent on a year's income. If you own ten shares of $100 each, that is $1000, and you receive 6 per cent; that would be $60, and 1 per cent on that would be 60 cents. It is not a very heavy tax, and I doubt if it will reduce the dividend in the case of any corporation, because a well regulated corporation ordinarily does not declare all of its earnings into the dividends.

They have maximum and minimum tariffs in other countries. Up to this time we have had none here, and every time we wanted to get even with some country in order to make that country come down and do justice to us, we have had to appeal to Congress to change the rates, and that was a very clumsy and generally an impossible thing to do, because Congress does not want to change one rate without changing a great many others. So this now transfers that power to the Executive, and enables the Executive to act without waiting for Congressional action. What is going to be its effect? Not that we are going into a tariff war—not at all. I sincerely hope I shall not be called upon to exercise this power in a single case with respect to a single country, because the existence of the power is enough to prevent other countries from exercising that discrimination against us when they are advised that we have weapons of our own with which to retaliate. (Great applause.)

President May Employ Experts.

Another and most important provision of the tariff is that which enables the President to appoint or employ as many experts as he sees fit, consistent with the appropriation of $75,000, made to assist him in the execution of this maximum and minimum tariff clause, and also to assist him and other officers in the execution of the tariff law itself. I construe that to give me power to appoint a board, which I have appointed, who shall go into this tariff business thoroughly, who shall assist me with respect to a knowledge of foreign tariffs, whether they are unduly discriminatory, and if so, how; also to tell me of the operation of this tariff, to tell me the cost of things here, and the cost of things abroad, and to explain to me what these mysterious technical and business expressions in the tariff law mean. You hear a great deal about the tariff, but I would like to have you take up a tariff bill and go through it and then tell me what it means. (Laughter and applause.)

Islands Valuable to Coast.

Another provision of the tariff law is the section which declared free trade between the Philippines and the United States, and that, my friends, you are decidedly more interested in from the standpoint of your pocket than I am, because, unless I am no prophet at all, unless I know nothing of the Philippine Islands, and am no judge of the business that is to grow out of our associations in free trade with them, you are going to find a trade with the Philippines that will grow each year, that will become more and more valuable to you; that will become more and more valuable to the Philippine Islands; so that when the day comes that we can say to the Filipinos: "Here, we have educated you all up to self-government, and you are at liberty to go and become a separate nation, and cut off our business associations and have a tariff between us," you will find, in my judgment, that neither the Filipinos on the one side, nor we on the other will desire that severance. (Great applause.)

The corporation tax, I have said, needs some Federal supervision over the corporations. If you were to look into the statistics of the corporations and try to find out how many there are in this country and what business they are doing and what earnings they are having and what their expenses are, I venture to think you would be in a mass of statistics in which you would lose yourselves. The fact is, there are at present no means of telling what our corporations are doing. In some states they are required to make reports, and in other states not. All the difficulties that we have had in respect to the standards of business, in respect to monopolies, in respect to those things that Theodore Roosevelt denounced (Great applause), and intended to bring about legislation which would stop—all those things have arisen out of corporations and the privileges which corporations have been given. Now, I am not here to denounce corporations. We could not get along without corporations; they are a necessary instrument in the business of this country, and in its prosperity; but as we give them privileges, as we give them power, so they must recognize the responsibility with which they exercise that power, and we must have the means of compelling them to recognize that responsibility and to keep within the law. (Prolonged applause and cheers.)

Step Toward Supervision.

One of the things that enables us to keep them within the law is to know what they are doing, for one of the things that a corporation does, if you do not supervise and look closely, is to hide everything behind it, and this corporation tax is a step and a long step towards Federal investigation and supervision—I had almost said control, of all corporations. (Great applause.) Of course, corporations within the state are state corporations, but they generally do a large interstate business, and after we have established this only modified and qualified supervision of all corporations, we can begin to classify and make more acute and more direct and more thorough our investigation of those particular corporations that we are after. (Applause.) I think, therefore, that this Administration has something already to point to in its accomplishment; that it has passed the tariff bill, that it has put free trade between the United States and these Islands, and that it has taken a long step towards the proper control of the corporations in the passage of the corporation tax law. (Great applause.)

Another thing that the tariff bill has done, which has not been commented on particularly, is the provision called the maximum and minimum clause. The European nations have not been slow in levying tariffs themselves. And they have at times discriminated against us in favor of some other country with whom they had friendly relations. They have also at times imposed such restrictions, hardly in good faith, upon the importation of our foodstuffs, our lard, our hogs, our beef and other food products, which we send over there, as really to exclude us from their markets; and they have done it in such a way that it was difficult for us to retaliate or to secure an amelioration of the condition of exclusion.

May Protect Our Interests.

Now this maximum and minimum provision leaves to the President to say whether any country with whom we have business exercises the power of unduly discriminating against American products, and if it does not, then they enjoy the benefit of the minimum or normal rate of tariff in coming into this country with their products. But if it does, then the President shall refuse. If in his judgment, their provisions are unduly discriminatory against this country and in favor of some other country; if that is found to be the case, then the President shall refuse to proclaim that the minimum tariff is in effect between us and that country, and thereby the maximum tariff of 25 per cent of increase on everything goes in force. (Applause.)

Why, it is just like so much Choctaw to a man who is not an expert, and you take an expert on a part of it and he will find that a good deal of the rest that he is not an expert on is Choctaw. So what I wish to use this board for, and what I think under the law I have a right to use it for, is to make a glossary, to make an encyclopedia, to make what is comparable to the United States Pharmacopoeia with respect to drugs, so that when a thing is completed and you take up the tariff law and come to something you do not understand, you can turn to that particular head in the encyclopedia and find out what it means, find out what the exact rate is ad valorem, find out where the article is produced, how many factories in this country, how many in other countries are producing it, and in what quantity; find out how it is produced and what labor goes into it, and what the material costs here and abroad. When we have that, we shall have something upon which the Senate and the House and the people can act intelligently in respect to the revision of the tariff. (Great applause.)

Carry Out Roosevelt's Policies.

Now, my friends, that is what has been done. What is there yet to do? In the first place, this Administration was elected on a platform that we proposed to carry out the policies of Theodore Roosevelt (Cheers and applause), and we propose to keep that promise. (Great applause.) Let us see what those policies were, speaking generalist. I had occasion to say the other night that one has difficulty in carrying out those policies is that there are sometimes indefinite views as to what those policies are; there are some gentlemen, to use an expression that I have heard good Catholics use when they say that a man is even more Catholic than the Pope, who are more Roosevelitian than Mr. Roosevelt (Laughter and applause), and when they get a fad that Mr. Roosevelt may have heard of or may not have heard of, but that they are very much attached to, they like to gather it in as a part of the Roosevelt policies, and then if you do not subscribe to it, they denounce you as a traitor to the Roosevelt policies.

Knows Roosevelt's Policies.

Well, I was in Mr. Roosevelt's Cabinet four years and had some opportunity to understand what his policies were. The fact is, it fell to my lot to take the platform and discuss them, by his direction and with his sympathy, and therefore, I think I know pretty generally what the Roosevelt policies are and what the platform of the Republican party meant when it pledged the party in the administration, if elected, to the carrying out of these policies. (Great applause.)

Mr. Roosevelt's chief policy was the determination to make the great corporations of this country obey the law. (Great applause), and those great corporations included two classes; the railroads and the great industrial corporations that did a large industrial business, and that had shown a tendency to try to monopolize that business and control prices and suppress competition. Mr. Roosevelt impressed upon the country, impressed upon Congress, and succeeded in inducing Congress to pass what was known as the Hepburn rate bill, and that was for the purpose of enabling the Interstate Commerce Commission to fix rates when complaint was made as to their unreasonableness. Up to that time the only thing that the commission could do was to say, "We believe this rate is unreasonable, and you must fix another rate"; but that law said: "Now, when you find that the rate is unreasonable, then it is your business to go on and fix a reasonable rate."

What Hepburn Bill Did.

The law gave greater power to the Commission in other respects in detail, which I shall not dwell upon; but it contained a provision for a court of review. There was considerable discussion as to whether it ought to do so or not. In my judgment it ought to have done so but it did not make any difference whether it did so or not; there would be a court of review of a decision of the Interstate Commerce Commission. A court of review arises from a constitutional right of a railroad company or any other corporation owning property to obtain from its use a fair compensation; and, therefore, if the rates were confiscatory, to complain that it was property taken away from them without due process of law; hence the situation was this: If you attempted by such a law to prevent recourse to the courts it would invalidate the law; if you gave recourse to the courts, well and good; you did not say anything about it, then there was recourse to the court anyhow. So that the question really was a moot one.

Now, the friends of the measure, many of them, dreaded the reference to the court because it was thought that this would delay action and prevent a rapid fixing of rates; and I am inclined to think from the reports of the Interstate Commerce Commission that this fear has proven to be well founded, and that the reference to the court, to the Circuit Courts and the Court of Appeals has delayed the remedies sought before the Interstate Commerce Commission, so that we ought to make some other provision in order to expedite those proceedings.

For myself, I think it wise, after a consultation with the Commission, and after conferring with members of the Cabinet, to recommend the establishment of one court of five members to whom all such appeals shall be referred. The fact that they have no other jurisdiction will make them experts; the fact that they sit as five men will enable them to dispose of the business rapidly, and then a case will be ended, except on an appeal to the Supreme Court.

Now, it is possible to go into one of some 40 or 50 United States Courts all over the country and file your review or petition for review of the decision of the Interstate Commerce Commission. That produces conflict of decisions between a Judge in Oregon and a Judge in Massachusetts, and prevents that uniformity which is wanted, necessarily, to establish the proper rights and proper conduct of railroad companies.

Then there are some other features which ought to be amended in the Hepburn bill, which I shall not stop to call attention to, except to say in the party platform specifically was provided a promise that a law should be passed referring to some tribunal the question of how many bonds and how many shares of stock every interstate railroad company may issue. In other words, a measure to prevent the watering of stock in the way in which it has gone on heretofore. (Applause.) That is important in a number of respects. It is important, of course, because when you water stock you only do it to deceive people and get them to pay more than the stock is worth. That is the only object of watering stock. Again it is wrong because when you come to determine what a railroad company ought to earn, the owners of the railroad company turn at once to their stock and bond account and say, "Here are our shares of stock, and here are our bonds, and we ought to earn 5 per cent on our bonds and 6 per cent on our stock." If they water the stock and treble it beyond the actual property they have, you see that requires they should pay 18 per cent of what was the real value of the railroad, rather than 6. In other words, it affects, and affects most injuriously, the rights of the public in determining what a reasonable compensation for a railroad shall be. Another thing is that if you pile up the stocks and bonds of a railroad company in such an amount that they cannot even earn, no matter what they charge, their interest charge and the dividend on the stock, you are going to have that company in court in the hands of a receiver; you are going to prevent the expenditure of money needed to make it a good common-carrier; you are going to interfere with its usefulness in carrying the interstate trade. And there is where the Federal Government has a right to step in and say, "We propose to supervise your method of doing business, even if you are a state corporation only; you are doing interstate business, and we have a right to impose such a limitation on your method of doing that business as to secure efficiency and to secure the best kind of a railroad to carry goods and carry passengers." (Applause.)

Anti-Trust Law Enforcement.

Then there is the anti-trust law. That law provides that any corporation or any combination or conspiracy in restraint of interstate trade shall be punished. It provides also that a monopoly shall be punished in interstate trade. It is a law most difficult to enforce. It is a law that by its terms is so wide that it includes other restraints of trade than those which are with intent to monopolize or with intent to suppress competition. And if you read some of the decisions of the court by judges who do not appear to be friendly to the law, you will find that the very fact that it seems to cover a great many innocent arrangements which have a tendency to restrain interstate trade serves to make the law ridiculous. Now, what I recommend is that the law be so amended as to narrow it and confine it to combinations and conspiracies to suppress competition and to establish monopolies, and to leave out the denunciation of general restraints of trade. At common law general restraints of trade were not crimes, but men who entered into a contract that had a tendency to restrain trade were left to their own devices to secure its execution. The courts would not enforce it, but this goes further and denounces as a crime all restraints by contracts and combinations and conspiracies in restraint of trade.

Labor Complaint Has Justice.

Now, what is the effect of that? One effect has been that the Supreme Court has held that a boycott levied against interstate trade is within that statute, and the labor unions and others have complained that that is an extension of a statute intended to suppress monopolies, trade monopolies and trade suppression and competition, to something which, while the letter of the statute permits it, was not intended by Congress, and was not the evil at which Congress aimed. Now, I am inclined to think that that complaint is not without good foundation, and that we ought not to strain the statute to meet something which in its original conception it was not intended to remedy. I do not think there is any doubt about where I stand in respect to boycotts. If there is, I will just state what I think about that. They are illegal, and they ought to be suppressed. (Applause.)

I would never countenance a law which recognizes their legality, and I have not hesitated to say so for a good many years, but I do not think the way to suppress them is to take a Federal statute that was intended for another evil and make it apply to them, although the letter of the statute—and doubtless the judicial construction is right, I am not saying anything against that. I am not criticising the courts, but I am saying—it just has happened that the letter of the statute covers their cases. If the statute is changed as I suggest, the letter of the statute will not cover their cases. The labor unions have said they would like to have a definite exception in saying this statute should not apply to labor unions. I would not consent to that at all. Labor unions have got to obey the laws like everybody else. (Applause.) And to introduce a special exception into a statute is to introduce class legislation, and that we do not approve of in this country at all. (Applause.) But if by language which narrows this statute and reaches the evil which it was intended to reach, and reaches it better than by language that is broader and gets in a lot of innocent things in addition, we can make it more effective, and in making it more effective we leave out its application to boycotts. I have not the slightest objection. I think it is a good result.

Hard Law to Enforce.

Now the anti-trust law is a hard law to enforce. It is a hard law to enforce because it is directed against something which the natural tendency in the spirit—the intense spirit of competition, leads business men to. They wanted to get ahead of their competitors, and soon they would proceed to unite with their competitors to drive everybody else out of the business, and they would control prices.

Now, 20 or 30 years ago that seemed all right. But when we began to realize what the logical result of that was, and that if it went on we would soon have every business in the hands of a few men, and we would all be subject to the tyranny and the greed of those few men, we saw something had to be done; and this statute was passed.

Laws Are Better Obeyed.

Now the statute has been most useful and I believe today that, due to Theodore Roosevelt's efforts, and due to the crusade which he, like Peter the Hermit of old preached, there has been a new standard introduced into the business of the country (Applause); and that men consult statutes now, and consult lawyers to know what the lines of the law are. And it is our business to say to these gentlemen, "Thus far shalt thou go, and no further"—to point out what that line is. It take some time for a series of courts to make a decision which shall be plain to the business world. But we are going on with this trust law, and if we amend it as I suggest, we shall draw the lines closer and closer and enable men to know what is legitimate business on the one hand, and what is not on the other.

Now, I have a great many friends in business, and have talked with them on this subject; and I am convinced a good many of them have a good deal to learn. (Applause.)

A gentleman said to me: "We ought to have a trust law that shall permit us reasonably to regulate competition, so that we shall unite to prevent too much competition." Well, he didn't tell me just what kind of a law that was going to be; and he did not tell me, because he could not tell me.

Again, you will hear a gentleman say that we ought not to have a provision for these restraints of trade to suppress competition which shall be unreasonable; and if they only reasonably restrain trade, and reasonably suppress competition, and you get a reasonable monopoly, why, then it is all right. (Applause.) Well, I don't know what a reasonable monopoly is. (Applause).

Reasonable Restraint of Trade.

I do know what, at the common law, a reasonable restraint of trade was; and I will explain that to you, if you have the patience to listen. I have got going. I didn't expect to take this long, but this is a subject most important, and I have got started, and if you will only bear with me I will get through.

(Cries of "Go ahead.")

The term "restraint of trade," in English law—common law—our law—referred to contracts by which man agreed that he would not go into business—a certain kind of business—within a certain territory. Now, that contract was enforcible at common law if it was reasonable. If it was unreasonable it was not enforcible. Now, let us see how the courts arrived at the question whether a contract was reasonable or not.

The exception as to reasonableness was introduced for the purpose of enabling a man who had made a good business, and got a good will in that business to dispose of that good will for a price, and to give it to someone else so that someone else might enjoy it. As, for instance, if there is a

(Concluded on Page 5.)

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Manhattan Shirts

Sam'l Rosenblatt & Co.

Corner Third and Morrison Streets

Come to Nicoll for Your Made-to-Order Garments

New Fall and Winter Woolens in Latest Designs and Colorings.

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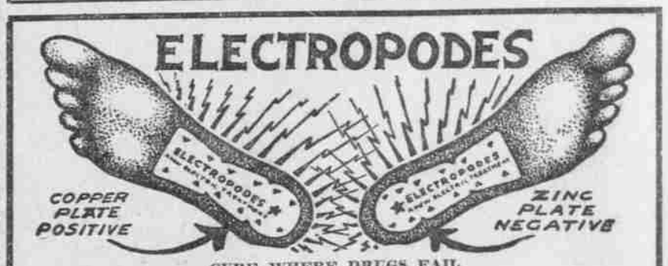

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