

THE BIG STICK and the SQUARE DEAL

by THEODORE ROOSEVELT.

Chapter 46 in Colonel Roosevelt's
Own Story of His Life.

Attorney General,
William H. Moody.

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ONE of the vital questions with which as President I had to deal was the attitude of the Nation toward the great corporations. Men who understand and practice the deep underlying philosophy of the Lincoln school of American political thought are necessarily Hamiltonian in their belief in a strong and efficient National Government and Jeffersonian in their belief in the people as the ultimate authority and in the welfare of the people as the end of government.

Freedom and License to Do Wrong.
The men who first applied the extreme Democratic theory in American life were, like Jefferson, ultra-individualists, for at that time what was demanded by our people was the largest liberty for the individual. During the century that had elapsed since Jefferson became President the need had been exactly reversed. There had been in our country a riot of individualism, materialism, under which complete freedom for the individual—that ancient license which President Wilson, a century after the term was excusable, has called the "new" freedom—turned out in practice to mean perfect freedom for the strong to wrong the weak.

The total absence of governmental control had led to a portentous growth in the financial and industrial world of natural individuals and of artificial individuals—that is, corporations. In no other country in the world had such enormous fortunes been gained. In no other country in the world was such power held by the men who had gained these fortunes; and these men almost always worked through, and by means of, the giant corporations which they controlled. The power of the mighty industrial overlords of the country had increased with giant strides, while the methods of controlling them, or checking abuses by them, on the part of the people, through the Government, remained archaic and therefore practically impotent.

The Courts as Agents of Reaction.
The courts, not unnaturally, but most regretfully, and to the grave detriment of the people and of their own standing, had for a quarter of a century been on the whole the agents of reaction, and by conflicting decisions which, however, in their sum were hostile to the interests of the people, had left both the Nation and the several states well-nigh impotent to deal with the great business combinations. Sometimes they forbade the Nation to interfere because such interference trespassed on the rights of the states; sometimes they forbade the states to interfere (and often they were wise in this), because to do so would trespass on the rights of the Nation; but always, or well-nigh always, their action was negative action against the interests of the people, ingeniously devised to limit their power against wrong, instead of affirmative action giving to the people power to right wrong.

They had rendered these decisions sometimes as upholders of property rights against human rights, being especially zealous in securing the rights of the very men who were most competent to take care of themselves; and sometimes in the name of liberty, in the name of the so-called "new freedom," in reality the old, old "freedom," which secured to the powerful the freedom to prey on the poor and the helpless.

One of the main troubles was the fact that the men who saw the evils and who tried to remedy them at

tempted to work in two wholly different ways, and the great majority of them in a way that offered little promise of real betterment. They tried (by the Sherman law method) to bolster up an individualism already proved to be both futile and mischievous; to remedy by more individualism the concentration that was the inevitable result of the already existing individualism. They saw the evil done by the big combinations, and sought to remedy it by destroying them and restoring the country to the economic conditions of the middle of the 19th century. This was a hopeless effort, and those who went into it, although they regarded themselves as radical progressives, really represented a form of sincere rural Toryism. They confounded monopolies with big business combinations, and in the effort to prohibit both alike, instead of where possible prohibiting one and leaving the other, they succeeded merely in preventing any effective control of either.

On the other hand, a few men recognized that corporations and combinations had become indispensable in the business world, that it was folly to try to prohibit them, but that it was also folly to leave them without thoroughgoing control. These men realized that the doctrines of the old laissez faire economists, of the believers in unlimited competition, unlimited individualism, were in the actual state of affairs false and mischievous. They realized that the Government must now interfere to protect labor, to subordinate the big corporation to the public welfare, and to shackle cunning and fraud exactly as centuries before it had interfered to shackle the physical force which does wrong by violence.

The Tyranny of Plutocracy.
The big reactionaries of the business world and their allies and instruments among politicians and newspaper editors took advantage of this division of opinion, and especially of the fact that most of their opponents were on the wrong path; and fought to keep matters absolutely unchanged. These men demanded for themselves an immunity from governmental control which, if granted, would have been as wicked and as foolish as immunity to the barons of the 12th century. Many of them were evil men. Many others were just as good men as were some of these same barons; but they were as utterly unable as any medieval castle-owner to understand what the public interest really was. There have been aristocracies which have played a great and beneficial part at stages in the growth of mankind; but we had come to the stage where for our people what was needed was a real democracy; and of the forms of tyranny the least attractive and the most vulgar is the tyranny of mere wealth, the tyranny of plutocracy.

The Power to Control.
When I became President, the question as to the method by which the United States Government was to control the corporations was not yet important. The absolutely vital question was whether the Government had power to control them at all. This question had not yet been decided in favor of the United States Government. It was a question to discuss methods of controlling big business by the National Government until it was definitely settled that the National Government had the power to control it. A decision of the Supreme Court had, with seeming definiteness, settled that the National Government had not the power.

This decision I caused to be annulled by the court that had rendered it; and the present power of the National Government to deal effectively with the trusts is due solely to the

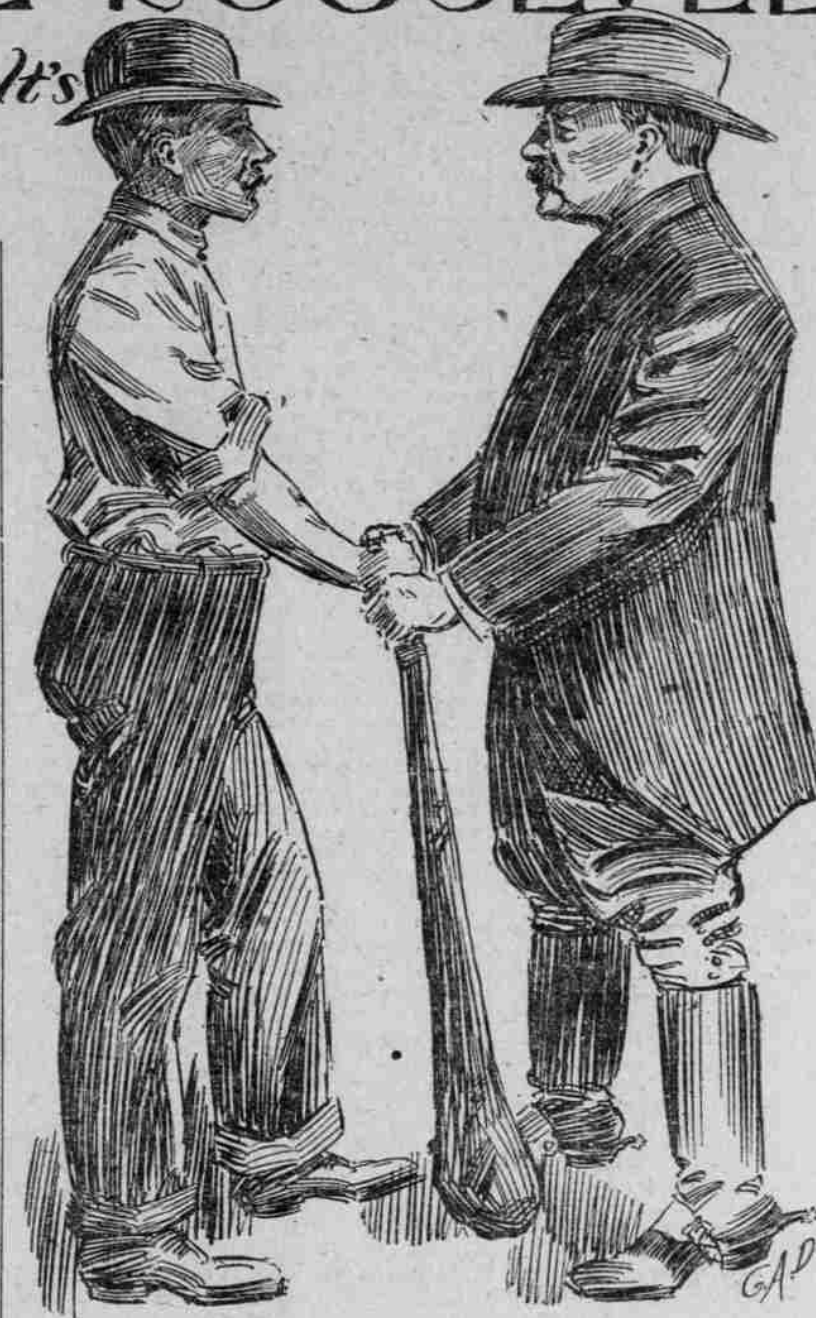
success of the Administration in securing this reversal of its former decision by the Supreme Court. The Constitution was formed very largely because it had become imperative to give to some central authority the power to regulate and control interstate commerce. At that time, when corporations were in their infancy and the combinations unknown, there was no difficulty in exercising the power granted. In theory, the right of the Nation to exercise this power continued unquestioned. But changing conditions obscured the matter in the sight of the people as a whole, and the conscious growth of industrial combinations in this country came a period of reactionary decisions by the courts which as regards corporations culminated in what is known as the Knight case.

The Knight Case.
The Sherman anti-trust law was enacted in 1890 because of the formation of the Tobacco Trust and the Sugar Trust, the only two great trusts then in the country (aside from the Standard Oil Trust, which was a gradual growth), had awakened a popular demand for legislation to destroy monopoly and curb industrial combinations. This demand the anti-trust law intended to satisfy. The Administrations of Mr. Harrison and Mr. Cleveland evidently construed this law as prohibiting such combinations in the future, not as condemning those which had been formed prior to its enactment. In 1895, however, the Sugar Trust, whose output originally was about 55 per cent of all sugar produced in the United States, obtained control of three other companies in Philadelphia by exchanging its stock for theirs, and thus increased its business until it controlled 98 per cent of the entire product. Under Cleveland, the Government brought proceedings against the Sugar Trust, invoking the anti-trust law, to set aside the acquisition of these corporations.

The test case was on the absorption of the Knight Company. The Supreme Court of the United States, with but one dissenting vote, held adversely to the Government. They took the ground that the power conferred by the Constitution to regulate and control interstate commerce did not extend to the production or manufacture of commodities within a state, and that nothing in the Sherman anti-trust law prohibited a corporation from acquiring all the stock of other corporations through exchange of its stock for theirs, such exchange not being "commerce" in the opinion of the court, even though by such acquisition the corporation was enabled to control the entire production of a commodity that was a necessary of life.

Nullifying the Anti-Trust Law.
The effect of this decision was not merely the absolute nullification of the anti-trust law, so far as industrial corporations were concerned, but was also in effect a declaration that under the Constitution, the National Government could pass no law really effective for the destruction or control of such combinations.

This decision left the National Government, that is, the people of the Nation, practically helpless to deal with the large combinations of modern business. The courts in the other cases asserted the power of the Federal Government to enforce the Anti-Trust Law so far as transportation rates by railroads engaged in interstate commerce were concerned. But so long as the trusts were free to control the production of commodities without interfer-



James R. Garfield,
First Head of the
Bureau of
Corporations.

ence from the General Government, they were well content to let the transportation of commodities take care of itself—especially as the law against rebates was at that time a dead letter; and the Court by its decision in the Knight case had interdicted any interference by the President or by Congress with the production of commodities. It was on the authority of this case that practically all the big trusts in the United States, excepting those already mentioned, were formed. Usually they were organized as "holding" companies, each one acquiring control of its constituent corporations by exchanging its stock for theirs, an

operation which the Supreme Court had thus decided could not be prohibited, controlled, regulated, or even questioned by the Federal Government.

The Northern Securities Company.
Such was the condition of our laws when I acceded to the Presidency. Just before my accession, a small group of financiers, desiring to profit by the governmental impotence to which we had been reduced by the Knight decision, had arranged to take control of practically the entire railway system in the Northwest—possibly as the first step toward controlling the entire railway system of the country.

Curious Things From Here and There

YOU may have heard an egg "peck" just before the chick emerged, but unless you have the much familiarity with crocodiles it is unlikely that you ever heard one croak. An English scientist at Lagos, on the Western coast of Africa, heard a low croaking noise below a dry path, and on digging to investigate the cause found 13 crocodile's eggs at a depth of about 18 inches. These were croaking vigorously, and within half an hour all of them had hatched.

This investigator in 1899 was the first naturalist to mention the croaking of crocodile's eggs. He said that in Madagascar the unhatched crocodiles can be heard croaking from a depth of about six feet, and that any sound, such as a heavy tread on the ground above them, caused the babies to utter this strange sound, "with the mouth closed, as we produce hiccupping sounds."

They do this to inform their mothers that they are ready to hatch. The female, unless, on hearing the sound, visit the nest and scratch away the earth with which it is covered.

It is a curious fact in psychology that nobody can stay at the same mental and physical level for 24 hours to-

gether. In the morning you are more matter-of-fact, for instance, than later in the day.

It is in the morning that the best brain work is done, too—brain work of the sort that requires industry and clear thinking. And it is about 11 in the morning that your body reaches its highest point of energy. In other words, you are stronger, though almost imperceptibly, at 11 in the morning than at 3 in the afternoon. You reach that highest point twice in the day, for about 5 in the afternoon the muscular energy has risen again. But from 5 onward it declines steadily all through the evening, and on till between 2 and 3 A. M.

An investigation of the South African disease known as lamiekie, or lame-sickness, suggests that it is due to a special plant poison that is generated under abnormal conditions in grasses or other plants that are normally harmless. Its development seems to be associated with unusual weather and soil experiences, of which summer drought is important. Through such conditions willing would favor the formation of the poison, and this gives an explanation for the common belief that the disease results from eating wilted plants.

This control of the Northwestern railway systems was to be affected by organizing a new "holding" company, and exchanging its stock against the stock of the various corporations engaged in railway transportation throughout that vast territory, exactly as the Sugar Trust had acquired control of the Knight company and other concerns. This company was called the Northern Securities Company. Not long after I became President, on the advice of the Attorney-General, Mr. Knox, and through him, I ordered proceedings to be instituted for the dissolution of the company. As far as could be told by their utterances at the time, among all the great lawyers in the United States Mr. Knox was the only one who believed that this action could be sustained. The defense was based expressly on the ground that the Supreme Court in the Knight case had explicitly sanctioned the formation of such a company as the Northern Securities Company. The representatives of privilege intimidated, and sometimes asserted outright, that in directing the action to be brought I had shown a lack of respect for the Supreme Court, which had already decided the question at issue by a vote of eight to one. Mr. Justice White, then on the Court and now Chief Justice, set forth the position with what I regard as incontrovertible logic. In giving the views of the dissenting minority on the action I had brought, he said:

"The parallel between the two cases—the Knight case and the Northern Securities case—is complete. The one corporation acquired the stock of other and competing corporations in exchange for its own. It was conceded for the purposes of the case, that in doing so the corporation had been brought about in the refining of sugar, that sugar to be produced was likely to become the subject of interstate commerce, and indeed that part of it would certainly become so. But the power of Congress was decided not to extend to the subject, because the ownership of the stock in the corporations was not itself commerce.

Overthrowing the Knight Case Decision.
Mr. Justice White was entirely correct in this statement. The cases were parallel. It was necessary to reverse the Knight case in the interests of the people against monopoly and privilege just as it had been necessary to reverse the Dred Scott case in the interest of the people against slavery and privilege; just as later it became necessary to reverse the New York bakeshop case in the interest of the people against that form of monopolistic privilege which puts human rights below prop-

erty rights where wage-workers were concerned.

By a vote of 5 to 4 the Supreme Court reversed its decision in the Knight case, and in the Northern Securities case sustained the Government. The power to deal with industrial monopoly and suppress it and to control and reverse combinations, of which the Knight case had deprived the Federal Government, was thus restored to it by the Northern Securities case.

The Tobacco and Standard Oil Cases.
After this later decision was rendered, suits were brought by my direction against the American Tobacco Company and the Standard Oil Company. Both were adjudged criminal conspiracies and their dissolution ordered. The Knight case was finally overthrown. The vicious doctrine it embodied no longer remains as an obstacle to obstruct the pathway of justice when it assails monopoly. Messrs. Knox, Moody and Bonaparte, who successively occupied the position of Attorney-General under me, were profound lawyers and fearless and able men, and they completely established the newer and more wholesome doctrine under which the Federal Government may now deal with monopolistic combinations and conspiracies.

The decisions rendered in these various cases brought under my direction constitute the entire authority upon which any action must rest that seeks through the exercise of National power to curb monopolistic control. The men who organized and directed the Northern Securities Company were also the controlling forces in the steel corporation, which has since been prosecuted under the act. The proceedings against the sugar trust for corruption in connection with the New York custom-house are sufficiently interesting to be considered separately.

(To be continued next Sunday.)

Little Country's Big Business.

(January Metropolitan.)
Year by year the peasant of Denmark has extended his grip until his transactions amount to tens of millions of dollars annually and run into almost every line of business in the country. He ships horses and cattle to Germany; eggs, poultry, butter, cheese and bacon to England. He packs them so that they will please the customer. Nothing is left to chance and very little to private business. The shiftless farmer is compelled by his neighbor to conform to a high standard. In order to keep in touch with the wants and desires of consumers, the government sends scouts to other countries to ascertain what breed of horses and cattle are most in demand; as to how foreign countries want their food products prepared.

The peasant studies the food of cattle and knows just how they should be fed to produce the best butter. Every week a steamer arrives from New Orleans, owned by the Co-operative Society, and loaded with oil cakes for feeding. In 30 years' time the export trade of Denmark in farm products has increased 600 per cent, while the standard of living of the people has been raised to a higher level than that of almost any country in Europe.

How a Plucky Woman Won An Oregon Homestead.

Mrs. Mattie Colman Made a Bitter Struggle
Against Adversities—and Won



Mrs. Colman on the
Way from Oklahoma.

BY ALFRED POWERS.
MRS. MATTIE COLEMAN, weight 108 pounds, age 37, with five children, the oldest a girl of 12, the youngest a baby, without money but with the pioneer spirit incarnate—Mrs. Coleman versus a Siuslaw homestead. Who will win?

She was deserted in the State of Oklahoma by her husband, who left her in a sick bed in possession of five children, a team and wagon and \$10 in money. In her convalescence she saw the poorhouse waiting for her and her children, as a shark waits for its prey. But an old newspaper, which in no many instances has proved a boon to despairing people, fell into her hands. It told about homesteads in Oregon. Purpose was born, and with a pluck unparalleled she began to carry it out. With her five children,

her team and wagon and her \$10, she started overland on a 2000-mile journey to Oregon.

People were kind to her where she camped. It was Spring and the horses made their living grazing at night, and she had a No. 12 shotgun, with which she procured much game—rabbits, quail, squirrels and doves. Her meat on the whole trip cost her 30 cents.

After three months of travel she reached Wyoming, where, securing work, she wintered. In the Spring she continued her journey westward, arriving in Oregon after two months, almost entirely without money. The homestead, however, had to be found.

Leaving her children, the wagon and one horse with a kind family at Drain, she borrowed a saddle and, mounting the other horse, started on a journey almost as remarkable as the one she

had just completed and filled, she says, with much more adventure.

This long, solitary horseback ride she began with 80 cents.

She rode from Drain to Scottsburg, where she put her horse on a scow and was taken to Gardiner, the boatman giving her credit for her fare. From Gardiner she went to Florence, finding on the way a homestead on Upper Maple Creek. Because she had no money to get her horse and horse across the Siuslaw River, she went to Florence by a circuitous route. She followed the road up Maple Creek, passed through the Sweet Creek and Smith River country, crossed the Siuslaw a few miles below Deadwood, rode back to Mapleton, down the north side of the Siuslaw—when new dismay!

Right athwart her path there flowed another river, almost as large as the

Siuslaw itself, wide, deep and brimming with a flood tide. There was no bridge, no ferry and no way around this time. It was the North Fork. An Indian man rowed her across for 10 cents; she sat in the stern of the boat and led the swimming horse, which once, jabbed by a passing log, jerked back with such energy as to almost capsize the shallow craft.

Across, she climbed into the dripping saddle and rode on down to Florence, where, through Mr. Young, the forest ranger, she made application for the claim on Upper Maple Creek. Not sure that she would get this and hearing that there was vacant land to the north, she struck out, this same afternoon, for Hecla Lighthouse, along an inland route that she had been directed to take as being preferable during high tide to the beach.

Following this road, she came to

where it forked. Taking the left-hand prong, she traveled for an hour, only to come to the edge of a lake by which the road was apparently swallowed up. This was the right road had she but known it; wagons were accustomed to go for 50 yards along the shallow edge of Sutton Lake to avoid climbing a sand dune; but having received no mention of this in her instructions, she concluded the other fork was the right way and rode back and took it.

By this time it was beginning to grow dusk and as she rode on, rapidly the winter night settled down, filled with mist which after awhile thickened to rain.

At length her horse stopped upon what was apparently the beginning of a bridge, walked a little way over the resounding planks, then stopped. Unable to get him to proceed, she dis-

mounted. Beyond was no bridge—only a wide expanse of darkness in which fish jumped and upon which the raindrops splashed. She did not know it, but this was Mercer Lake and her horse was standing on a wharf. She rode back to Florence and stayed all night at the town home of Mrs. Hansen, wife of the head lightkeeper at Hecla.

The next day she went up the beach to Hecla. From Hecla she went to Waldport, thence up the Alsea River to the forest trail, along this trail to Toledo, thence to Corvallis, and from Corvallis back to Drain; a distance of over 300 miles—alone in the winter time, over dangerous and unfrequented trails, and all on 80 cents. There is scarcely in history a more remarkable journey.

Early last Spring Mrs. Coleman with her children moved onto her claim, which, being a homestead abandoned by some one else, already had a cabin. It also had a few acres which had been cultivated. The place altogether comprised 60 acres, about a dozen of which lie in the valley and are tillable. It is the last place up on Maple Creek and is about 12 miles from Glenada, the nearest town, but on a good road.

With money given by the people of Eugene she bought two cows, plows, feed, chickens and a lamb. She and the children have cleared a good-sized tract of land. They have set out an orchard and already harvested one crop. They all go out in the fields during the day and work, and at night after supper Mrs. Coleman "gives out words to them," as one of her little daughters says, "so they won't forget."



Mrs. Coleman's Home
On Upper Maple Creek