

New Nationalism vs. New Freedom

VIEWPOINT 17A

The Federal Government Should Regulate Trusts: Roosevelt's New Nationalism (1910)

Theodore Roosevelt (1858–1919)

Theodore Roosevelt served as president of the United States for seven-and-a-half years following the assassination of William McKinley in 1901. He instituted several Progressive reforms, including federal regulation of the food and drug industries, “trust busting,” and expansion of the national park system. Roosevelt remained active in politics after leaving office in 1909. Disappointed in the relatively conservative policies of his hand-picked successor as president, William Howard Taft, he became increasingly convinced of the need for an activist federal government to intervene in the economic and social development of the nation.

In a famous speech to Civil War veterans at Osawatomie, Kansas, on August 31, 1910, Roosevelt spelled out his political philosophy, which he called the “New Nationalism.” Roosevelt called for the establishment of government commissions to control (rather than break up) the business trusts (monopolies) that were playing a growing role in American life. The speech became the springboard for Roosevelt’s political comeback, which ultimately split the Republican Party into conservative and progressive branches. Taft and Roosevelt both ran for president in 1912 (Roosevelt as candidate of the Progressive or “Bull Moose” Party), only to finish behind the Democratic candidate, Woodrow Wilson.

What does Roosevelt argue to be the proper functions of the national and state governments? What parts of the speech might be considered most objectionable to conservatives? Which elements differ most from the views of Woodrow Wilson, author of the opposing viewpoint? How would you concisely define the New Nationalism?

We come here to-day to commemorate one of the epoch-making events of the long struggle for the rights of man—the long struggle for the uplift of humanity. Our country—this great Republic—means nothing unless it means

Excerpted from Theodore Roosevelt’s campaign speech at Osawatomie, Kansas, August 31, 1910.

the triumph of a real democracy, the triumph of popular government, and, in the long run, of an economic system under which each man shall be guaranteed the opportunity to show the best that there is in him. That is why the history of America is now the central feature of the history of the world for the world has set its face hopefully toward our democracy; and, O my fellow citizens, each one of you carries on your shoulders not only the burden of doing well for the sake of your own country, but the burden of doing well and of seeing that this nation does well for the sake of mankind.

There have been two great crises in our country’s history: first, when it was formed, and then, again, when it was perpetuated; and, in the second of these great crises—in the time of stress and strain which culminated in the Civil War, on the outcome of which depended the justification of what had been done earlier, you men of the Grand Army, you men who fought through the Civil War, not only did you justify your generation, not only did you render life worth living for our generation, but you justified the wisdom of Washington and Washington’s colleagues. . . .

Equality of Opportunity

In every wise struggle for human betterment one of the main objects, and often the only object, has been to achieve in large measure equality of opportunity. In the struggle for this great end, nations rise from barbarism to civilization, and through it people press forward from one stage of enlightenment to the next. One of the chief factors in progress is the destruction of special privilege. The essence of any struggle for healthy liberty has always been, and must always be, to take from some one man or class of men the right to enjoy power, or wealth, or position, or immunity, which has not been earned by service to his or their fellows. That is what you fought for in the Civil War, and that is what we strive for now.

At many stages in the advance of humanity, this conflict between the men who possess more than they have earned and the men who have earned more than they possess is the central condition of progress. In our day it appears as the struggle of freemen to gain and hold the right of self-government as against the special interests, who twist the methods of free government into machinery for defeating the popular will. At every stage, and under all circumstances, the essence of the struggle is to equalize opportunity, destroy privilege, and give to the life and citizenship of every individual the highest possible value both to himself and to the commonwealth. That is nothing new. All I ask in civil life is what you fought for in the Civil War. I ask that civil life be carried on according to the spirit in which the army was carried on. You never get perfect justice, but the effort in handling

the army was to bring to the front the men who could do the job. Nobody grudged promotion to Grant, or Sherman, . . . because they earned it. The only complaint was when a man got promotion which he did not earn.

Practical equality of opportunity for all citizens, when we achieve it, will have two great results. First, every man will have a fair chance to make of himself all that in him lies; to reach the highest point to which his capacities, unassisted by special privilege of his own and unhampered by the special privilege of others, can carry him, and to get for himself and his family substantially what he has earned. Second, equality of opportunity means that the commonwealth will get from every citizen the highest service of which he is capable. No man who carries the burden of the special privileges of another can give to the commonwealth that service to which it is fairly entitled.

The Square Deal

I stand for the square deal. But when I say that I am for the square deal, I mean not merely that I stand for fair play under the present rules of the game, but that I stand for having those rules change so as to work for a more substantial equality of opportunity and of reward for equally good service. One word of warning, which, I think, is hardly necessary in Kansas. When I say I want a square deal for the poor man, I do not mean that I want a square deal for the man who remains poor because he has not got the energy to work for himself. If a man who has had a chance will not make good, then he has got to quit. And you men of the Grand Army, you want justice for the brave man who fought, and punishment for the coward who shirked his work. Is not that so?

Now, this means that our government, National and State, must be freed from the sinister influence or control of special interests. Exactly as the special interests of cotton and slavery threatened our political integrity before the Civil War, so now the great special business interests too often control and corrupt the men and methods of government for their own profit. We must drive the special interests out of politics. That is one of our tasks to-day. Every special interest is entitled to justice—full, fair, and complete—and, now, mind you, if there were any attempt by mob-violence to plunder and work harm to the special interest, whatever it may be, that I most dislike, and the wealthy man, whomsoever he may be, for whom I have the greatest contempt, I would fight for him, and you would if you were worth your salt. He should have justice. For every special interest is entitled to justice, but not one is entitled to a vote in Congress, to a voice on the bench, or to representation in any public office. The Constitution

guarantees protection to property, and we must make that promise good. But it does not give the right of suffrage to any corporation.

The true friend of property, the true conservative, is he who insists that property shall be the servant and not the master of the commonwealth; who insists that the creature of man's making shall be the servant and not the master of the man who made it. The citizens of the United States must effectively control the mighty commercial forces which they have themselves called into being. There can be no effective control of corporations while their political activity remains. To put an end to it will be neither a short nor an easy task, but it can be done.

We must have complete and effective publicity of corporate affairs, so that the people may know beyond peradventure whether the corporations obey the law and whether their management entitles them to the confidence of the public. It is necessary that laws should be passed to prohibit the use of corporate funds directly or indirectly for political purposes; it is still more necessary that such laws should be thoroughly enforced. Corporate expenditures for political purposes, and especially such expenditures by public service corporations, have supplied one of the principal sources of corruption in our political affairs.

Government Supervision of Trusts

It has become entirely clear that we must have government supervision of the capitalization, not only of public-service corporations, including, particularly, railways, but of all corporations doing an interstate business. I do not wish to see the nation forced into the ownership of the railways if it can possibly be avoided, and the only alternative is thoroughgoing and effective regulation, which shall be based on a full knowledge of all the facts, including a physical valuation of property. This physical valuation is not needed, or, at least, is very rarely needed, for fixing rates; but it is needed as the basis of honest capitalization.

We have come to recognize that franchises should never be granted except for a limited time, and never without proper provision for compensation to the public. It is my personal belief that the same kind and degree of control and supervision which should be exercised over public-service corporations should be extended also to combinations which control necessities of life, such as meat, oil, and coal, or which deal in them on an important scale. I have no doubt that the ordinary man who has control of them is much like ourselves. I have no doubt he would like to do well, but I want to have enough supervision to help him realize that desire to do well.

I believe that the officers, and, especially, the directors, of corporations should be held personally

responsible when any corporation breaks the law.

Combinations in industry are the result of an imperative economic law which cannot be repealed by political legislation. The effort at prohibiting all combination has substantially failed. The way out lies, not in attempting to prevent such combinations, but in completely controlling them in the interest of the public welfare. For that purpose the Federal Bureau of Corporations is an agency of first importance. Its powers, and, therefore, its efficiency, as well as that of the Interstate Commerce Commission, should be largely increased. We have a right to expect from the Bureau of Corporations and from the Interstate Commerce Commission a very high grade of public service. We should be as sure of the proper conduct of the interstate railways and the proper management of interstate business as we are now sure of the conduct and management of the national banks, and we should have as effective supervision in one case as in the other. . . .

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The absence of effective State, and, especially, national, restraint upon unfair money-getting has tended to create a small class of enormously wealthy and economically powerful men, whose chief object is to hold and increase their power. The prime need is to change the conditions which enable these men to accumulate power which it is not for the general welfare that they should hold or exercise. We grudge no man a fortune which represents his own power and sagacity, when exercised with entire regard to the welfare of his fellows. Again, comrades over there, take the lesson from your own experience. Not only did you not grudge, but you gloried in the promotion of the great generals who gained their promotion by leading the army to victory. So it is with us. We grudge no man a fortune in civil life if it is honorably obtained and well used. It is not even enough that it should have been gained without doing damage to the community. We should permit it to be gained only so long as the gaining represents benefit to the community. This, I know, implies a policy of a far more active governmental interference with social and economic conditions in this country than we have yet had, but I think we have got to face the fact that such an increase in governmental control is now necessary.

No man should receive a dollar unless that dollar has been fairly earned. Every dollar received should represent a dollar's worth of service rendered—not gambling in stocks, but service rendered. The really big fortune, the swollen fortune, by the mere fact of its size acquires qualities which differentiate it in kind as well as in degree from what is possessed by men of relatively small means. Therefore, I believe in a graduated income tax on big fortunes, and in another tax which is far more easily collected and far more effective—a graduated inheritance tax on big fortunes, properly safeguarded against evasion and increasing rapidly in amount with the size of the estate. . . .

Conservation

Of conservation I shall speak more at length elsewhere. Conservation means development as much as it does protection. I recognize the right and duty of this generation to develop and use the natural resources of our land; but I do not recognize the right to waste them, or to rob, by wasteful use, the generations that come after us. I ask nothing of the nation except that it so behave as each farmer here behaves with reference to his own children. That farmer is a poor creature who skins the land and leaves it worthless to his children. The farmer is a good farmer who, having enabled the land to support himself and to provide for the education of his children, leaves it to them a little better than he found it himself. I believe the same thing of a nation.

Moreover, I believe that the natural resources must be used for the benefit of all our people, and not monopolized for the benefit of the few, and here again is another case in which I am accused of taking a revolutionary attitude. People forget now that one hundred years ago there were public men of good character who advocated the nation selling its public lands in great quantities, so that the nation could get the most money out of it, and giving it to the men who could cultivate it for their own uses. We took the proper democratic ground that the land should be granted in small sections to the men who were actually to till it and live on it. Now, with the water-power, with the forests, with the mines, we are brought face to face with the fact that there are many people who will go with us in conserving the resources only if they are to be allowed to exploit them for their benefit. That is one of the fundamental reasons why the special interests should be driven out of politics. Of all the questions which can come before this nation, short of the actual preservation of its existence in a great war, there is none which compares in importance with the great central task of leaving this land even a better land for our descendants than it is for us, and training them into a better race to inhabit the land and pass it on. Conserva-

tion is a great moral issue, for it involves the patriotic duty of insuring the safety and continuance of the nation. Let me add that the health and vitality of our people are at least as well worth conserving as their forests, waters, lands, and minerals, and in this great work the national government must bear a most important part. . . .

Nothing is more true than that excess of every kind is followed by reaction; a fact which should be pondered by reformer and reactionary alike. We are face to face with new conceptions of the relations of property to human welfare, chiefly because certain advocates of the rights of property as against the rights of men have been pushing their claims too far. The man who wrongly holds that every human right is secondary to his profit must now give way to the advocate of human welfare, who rightly maintains that every man holds his property subject to the general right of the community to regulate its use to whatever degree the public welfare may require it.

But I think we may go still further. The right to regulate the use of wealth in the public interest is universally admitted. Let us admit also the right to regulate the terms and conditions of labor, which is the chief element of wealth, directly in the interest of the common good. The fundamental thing to do for every man is to give him a chance to reach a place in which he will make the greatest possible contribution to the public welfare. Understand what I say there. Give him a chance, not push him up if he will not be pushed. Help any man who stumbles; if he lies down, it is a poor job to try to carry him; but if he is a worthy man, try your best to see that he gets a chance to show the worth that is in him. No man can be a good citizen unless he has a wage more than sufficient to cover the bare cost of living, and hours of labor short enough so that after his day's work is done he will have time and energy to bear his share in the management of the community, to help in carrying the general load. We keep countless men from being good citizens by the conditions of life with which we surround them. We need comprehensive workmen's compensation acts, both State and national laws to regulate child labor and work for women, and, especially we need in our common schools not merely education in book-learning, but also practical training for daily life and work. We need to enforce better sanitary conditions for our workers and to extend the use of safety appliances for our workers in industry and commerce, both within and between the States. Also, friends, in the interest of the working man himself we need to set our faces like flint against mob-violence just as against corporate greed; against violence and injustice and lawlessness by wage-workers just as much as against lawless cunning and greed and selfish arrogance of employers. If I could

ask but one thing of my fellow countrymen, my request would be that, whenever they go in for reform, they remember the two sides, and that they always exact justice from one side as much as from the other. I have small use for the public servant who can always see and denounce the corruption of the capitalist, but who cannot persuade himself, especially before election, to say a word about lawless mob-violence. And I have equally small use for the man, be he a judge on the bench, or editor of a great paper, or wealthy and influential private citizen, who can see clearly enough and denounce the lawlessness of mob-violence, but whose eyes are closed so that he is blind when the question is one of corruption in business on a gigantic scale. Also remember what I said about excess in reformer and reactionary alike. If the reactionary man, who thinks of nothing but the rights of property, could have his way, he would bring about a revolution; and one of my chief fears in connection with progress comes because I do not want to see our people, for lack of proper leadership, compelled to follow men whose intentions are excellent, but whose eyes are a little too wild to make it really safe to trust them. Here in Kansas there is one paper which habitually denounces me as the tool of Wall Street, and at the same time frantically repudiates the statement that I am a Socialist on the ground that that is an unwarranted slander of the Socialists.

National Efficiency

National efficiency has many factors. It is a necessary result of the principle of conservation widely applied. In the end it will determine our failure or success as a nation. National efficiency has to do, not only with natural resources and with men, but it is equally concerned with institutions. The State must be made efficient for the work which concerns only the people of the State; and the nation for that which concerns all the people. There must remain no neutral ground to serve as a refuge for lawbreakers, and especially for lawbreakers of great wealth, who can hire the vulpine legal cunning which will teach them how to avoid both jurisdictions. It is a misfortune when the national legislature fails to do its duty in providing a national remedy, so that the only national activity is the purely negative activity of the judiciary in forbidding the State to exercise power in the premises.

I do not ask for overcentralization; but I do ask that we work in a spirit of broad and far-reaching nationalism when we work for what concerns our people as a whole. We are all Americans. Our common interests are as broad as the continent. I speak to you here in Kansas exactly as I would speak in New York or Georgia, for the most vital problems are those which affect us all alike. The National Government belongs

to the whole American people, and where the whole American people are interested, that interest can be guarded effectively only by the National Government. The betterment which we seek must be accomplished, I believe, mainly through the National Government.

The American people are right in demanding that New Nationalism, without which we cannot hope to deal with new problems. The New Nationalism puts the national need before sectional or personal advantage. It is impatient of the utter confusion that results from local legislatures attempting to treat national issues as local issues. It is still more impatient of the impotence which springs from overdivision of governmental powers, the impotence which makes it possible for local selfishness or for legal cunning, hired by wealthy special interests, to bring national activities to a deadlock. This New Nationalism regards the executive power as the steward of the public welfare. It demands of the judiciary that it shall be interested primarily in human welfare rather than in property, just as it demands that the representative body shall represent all the people rather than any one class or section of the people.

I believe in shaping the ends of government to protect property as well as human welfare. Normally, and in the long run, the ends are the same; but whenever the alternative must be faced, I am for men and not for property, as you were in the Civil War. I am far from underestimating the importance of dividends; but I rank dividends below human character. Again, I do not have any sympathy with the reformer who says he does not care for dividends. Of course, economic welfare is necessary, for a man must pull his own weight and be able to support his family. I know well that the reformers must not bring upon the people economic ruin, or the reforms themselves will go down in the ruin. But we must be ready to face temporary disaster, whether or not brought on by those who will war against us to the knife. Those who oppose all reform will do well to remember that ruin in its worst form is inevitable if our national life brings us nothing better than swollen fortunes for the few and the triumph in both politics and business of a sordid and selfish materialism.

If our political institutions were perfect, they would absolutely prevent the political domination of money in any part of our affairs. We need to make our political representatives more quickly and sensitively responsive to the people whose servants they are. More direct action by the people in their own affairs under proper safeguards is vitally necessary. The direct primary is a step in this direction, if it is associated with a corrupt-practices act effective to prevent the advantage of the man willing recklessly

and unscrupulously to spend money over his more honest competitor. It is particularly important that all moneys received or expended for campaign purposes should be publicly accounted for, not only after election, but before election as well. Political action must be made simpler, easier, and freer from confusion for every citizen. I believe that the prompt removal of unfaithful or incompetent public servants should be made easy and sure in whatever way experience shall show to be most expedient in any given class of cases.

One of the fundamental necessities in a representative government such as ours is to make certain that the men to whom the people delegate their power shall serve the people by whom they are elected, and not the special interests. I believe that every national officer, elected or appointed, should be forbidden to perform any service or receive any compensation, directly or indirectly, from interstate corporations; and a similar provision could not fail to be useful within the States.

The People's Welfare

The object of government is the welfare of the people. The material progress and prosperity of a nation are desirable chiefly so far as they lead to the moral and material welfare of all good citizens. Just in proportion as the average man and woman are honest, capable of sound judgment and high ideals, active in public affairs—but, first of all, sound in their home life, and the father and mother of healthy children whom they bring up well—just so far, and no farther, we may count our civilization a success. We must have—I believe we have already—a genuine and permanent moral awakening, without which no wisdom of legislation or administration really means anything; and, on the other hand, we must try to secure the social and economic legislation without which any improvement due to purely moral agitation is necessarily evanescent. Let me again illustrate by a reference to the Grand Army. You could not have won simply as a disorderly and disorganized mob. You needed generals; you needed careful administration of the most advanced type; and a good commissary—the cracker line. You well remember that success was necessary in many different lines in order to bring about general success. You had to have the administration at Washington good, just as you had to have the administration in the field; and you had to have the work of the generals good. You could not have triumphed without that administration and leadership; but it would all have been worthless if the average soldier had not had the right stuff in him. He had to have the right stuff in him, or you could not get it out of him. In the last analysis, therefore, vitally necessary though it was to have the right kind of

organization and the right kind of generalship, it was even more vitally necessary that the average soldier should have the fighting edge, the right character. So it is in our civil life. No matter how honest and decent we are in our private lives, if we do not have the right kind of law and the right kind of administration of the law, we cannot go forward as a nation. That is imperative; but it must be an addition to, and not a substitution for, the qualities that make us good citizens. In the last analysis, the most important elements in any man's career must be the sum of those qualities which, in the aggregate, we speak of as character. If he had not got it, then no law that the wit of man can devise, no administration of the law by the boldest and strongest executive, will avail to help him. We must have the right kind of character—character that makes a man, first of all, a good man in the home, a good father, a good husband—that makes a man a good neighbor. You must have that, and, then, in addition, you must have the kind of law and the kind of administration of the law which will give to those qualities in the private citizen the best possible chance for development. The prime problem of our nation is to get the right type of good citizenship, and, to get it, we must have progress, and our public men must be genuinely progressive.

VIEWPOINT 17B

The Federal Government Should Oppose Trusts: Wilson's New Freedom (1913)

Woodrow Wilson (1856–1924)

Woodrow Wilson was elected president of the United States in 1912 and served two terms. The former academic, college president, and New Jersey governor benefited from a split in the Republican Party between conservatives, who supported incumbent president William Howard Taft, and progressives, who backed former president Theodore Roosevelt. Wilson in his campaign speeches differentiated himself from his opponents by emphasizing his opposition to business trusts and monopolies. He argued that the national government should concentrate on eliminating social and economic privilege and restoring free business competition. Wilson's proposals became known as the "New Freedom" in contrast to Roosevelt's "New Nationalism," which emphasized government regulation, not dismantling, of large corporations and trusts. Wilson's speeches were collected and edited into book form by William

B. Hale, and published in 1913 under the title *The New Freedom*. The following viewpoint consists of excerpts from that volume.

How does Wilson differentiate between big businesses and trusts? What are the main areas of disagreement between Wilson and Theodore Roosevelt, author of the opposing viewpoint? Are the differences between Roosevelt and Wilson, as expressed in this pair of viewpoints, fundamental?

Since I entered politics, I have chiefly had men's views confided to me privately. Some of the biggest men in the United States, in the field of commerce and manufacture, are afraid of somebody, are afraid of something. They know that there is a power somewhere so organized, so subtle, so watchful, so interlocked, so complete, so pervasive, that they had better not speak above their breath when they speak in condemnation of it.

They know that America is not a place of which it can be said, as it used to be, that a man may choose his own calling and pursue it just as far as his abilities enable him to pursue it; because to-day, if he enters certain fields, there are organizations which will use means against him that will prevent his building up a business which they do not want to have built up; organizations that will see to it that the ground is cut from under him and the markets shut against him. For if he begins to sell to certain retail dealers, to any retail dealers, the monopoly will refuse to sell to those dealers, and those dealers, afraid, will not buy the new man's wares.

No Longer a Land of Opportunity

And this is the country which has lifted to the admiration of the world its ideals of absolutely free opportunity, where no man is supposed to be under any limitation except the limitations of his character and of his mind; where there is supposed to be no distinction of class, no distinction of blood, no distinction of social status, but where men win or lose on their merits.

I lay it very close to my own conscience as a public man whether we can any longer stand at our doors and welcome all newcomers upon those terms. American industry is not free, as once it was free; American enterprise is not free; the man with only a little capital is finding it harder to get into the field, more and more impossible to compete with the big fellow. Why? Because the laws of this country do not prevent the strong from crushing the weak. That is the reason, and because the strong have crushed the weak the strong dominate the industry and the economic life of this country. No man can deny that the lines of endeavor have more and more narrowed and

stiffened; no man who knows anything about the development of industry in this country can have failed to observe that the larger kinds of credit are more and more difficult to obtain, unless you obtain them upon the terms of uniting your efforts with those who already control the industries of the country; and nobody can fail to observe that any man who tries to set himself up in competition with any process of manufacture which has been taken under the control of large combinations of capital will presently find himself either squeezed out or obliged to sell and allow himself to be absorbed.

There is a great deal that needs reconstruction in the United States. I should like to take a census of the business men,—I mean the rank and file of the business men,—as to whether they think that business conditions in this country, or rather whether the organization of business in this country, is satisfactory or not. I know what they would say if they dared. If they could vote secretly they would vote overwhelmingly that the present organization of business was meant for the big fellows and was not meant for the little fellows; that it was meant for those who are at the top and was meant to exclude those who are at the bottom; that it was meant to shut out beginners, to prevent new entries in the race, to prevent the building up of competitive enterprises that would interfere with the monopolies which the great trusts have built up.

What this country needs above everything else is a body of laws which will look after the men who are on the make rather than the men who are already made. Because the men who are already made are not going to live indefinitely, and they are not always kind enough to leave sons as able and as honest as they are. . . .

Are Trusts Inevitable?

Gentlemen say, they have been saying for a long time, and, therefore, I assume that they believe, that trusts are inevitable. They don't say that big business is inevitable. They don't say merely that the elaboration of business upon a great co-operative scale is characteristic of our time and has come about by the natural operation of modern civilization. We would admit that. But they say that the particular kind of combinations that are now controlling our economic development came into existence naturally and were inevitable; and that, therefore, we have to accept them as unavoidable and administer our development through them. They take the analogy of the railways. The railways were clearly inevitable if we were to have transportation, but railways after they are once built stay put. You can't transfer a railroad at convenience; and you can't shut up one part of it and work another part. It is in the nature of what

economists, those tedious persons, call natural monopolies; simply because the whole circumstances of their use are so stiff that you can't alter them. Such are the analogies which these gentlemen choose when they discuss the modern trust.

I admit the popularity of the theory that the trusts have come about through the natural development of business conditions in the United States, and that it is a mistake to try to oppose the processes by which they have been built up, because those processes belong to the very nature of business in our time, and that therefore the only thing we can do, and the only thing we ought to attempt to do, is to accept them as inevitable arrangements and make the best out of it that we can by regulation.

I answer, nevertheless, that this attitude rests upon a confusion of thought. Big business is no doubt to a large extent necessary and natural. The development of business upon a great scale, upon a great scale of cooperation, is inevitable, and, let me add, is probably desirable. But that is a very different matter from the development of trusts, because the trusts have not grown. They have been artificially created; they have been put together, not by natural processes, but by the will, the deliberate planning will, of men who were more powerful than their neighbors in the business world, and who wished to make their power secure against competition.

The trusts do not belong to the period of infant industries. They are not the products of the time, that old laborious time, when the great continent we live on was undeveloped, the young nation struggling to find itself and get upon its feet amidst older and more experienced competitors. They belong to a very recent and very sophisticated age, when men knew what they wanted and knew how to get it by the favor of the government.

How Trusts Are Made

Did you ever look into the way a trust was made? It is very natural, in one sense, in the same sense in which human greed is natural. If I haven't efficiency enough to beat my rivals, then the thing I am inclined to do is to get together with my rivals and say: "Don't let's cut each other's throats; let's combine and determine prices for ourselves; determine the output, and thereby determine the prices: and dominate and control the market." That is very natural. That has been done ever since freebooting was established. That has been done ever since power was used to establish control. The reason that the masters of combination have sought to shut out competition is that the basis of control under competition is brains and efficiency. I admit that any large corporation built up by the legitimate processes of business, by economy, by efficiency, is natural; and I

am not afraid of it, no matter how big it grows. It can stay big only by doing its work more thoroughly than anybody else. And there is a point of bigness,—as every business man in this country knows, though some of them will not admit it,—where you pass the limit of efficiency and get into the region of clumsiness and unwieldiness. You can make your combine so extensive that you can't digest it into a single system; you can get so many parts that you can't assemble them as you would an effective piece of machinery. The point of efficiency is overstepped in the natural process of development oftentimes, and it has been overstepped many times in the artificial and deliberate formation of trusts.

A trust is formed in this way: a few gentlemen "promote" it—that is to say, they get it up, being given enormous fees for their kindness, which fees are loaded on to the undertaking in the form of securities of one kind or another. The argument of the promoters is, not that every one who comes into the combination can carry on his business more efficiently than he did before; the argument is: we will assign to you as your share in the pool twice, three times, four times, or five times what you could have sold your business for to an individual competitor who would have to run it on an economic and competitive basis. We can afford to buy it at such a figure because we are shutting out competition. We can afford to make the stock of the combination half a dozen times what it naturally would be and pay dividends on it, because there will be nobody to dispute the prices we shall fix.

Talk of that as sound business? Talk of that as inevitable? It is based upon nothing except power. It is not based upon efficiency. It is no wonder that the big trusts are not prospering in proportion to such competitors as they still have in such parts of their business as competitors have access to; they are prospering freely only in those fields to which competition has no access. . . .

Unfair Competition

I take my stand absolutely, where every progressive ought to take his stand, on the proposition that private monopoly is indefensible and intolerable. And there I will fight my battle. And I know how to fight it. Everybody who has even read the newspapers knows the means by which these men built up their power and created these monopolies. Any decently equipped lawyer can suggest to you statutes by which the whole business can be stopped. What these gentlemen do not want is this: they do not want to be compelled to meet all comers on equal terms. I am perfectly willing that they should beat any competitor by fair means; but I know the foul means they have adopted, and I know that they can be stopped

by law. If they think that coming into the market upon the basis of mere efficiency, upon the mere basis of knowing how to manufacture goods better than anybody else and to sell them cheaper than anybody else, they can carry the immense amount of water that they have put into their enterprises in order to buy up rivals, then they are perfectly welcome to try it. But there must be no squeezing out of the beginner, no crippling his credit; no discrimination against retailers who buy from a rival; no threats against concerns who sell supplies to a rival; no holding back of raw material from him; no secret arrangements against him. All the fair competition you choose, but no unfair competition of any kind. And then when unfair competition is eliminated, let us see these gentlemen carry their tanks of water on their backs. All that I ask and all I shall fight for is that they shall come into the field against merit and brains everywhere. If they can beat other American brains, then they have got the best brains.

The People Have Become Outsiders

But if you want to know how far brains go, as things now are, suppose you try to match your better wares against these gentlemen, and see them undersell you before your market is any bigger than the locality and make it absolutely impossible for you to get a fast foothold. If you want to know how brains count, originate some invention which will improve the kind of machinery they are using, and then see if you can borrow enough money to manufacture it. You may be offered something for your patent by the corporation,—which will perhaps lock it up in a safe and go on using the old machinery; but you will not be allowed to manufacture. I know men who have tried it, and they could not get the money, because the great money lenders of this country are in the arrangement with the great manufacturers of this country, and they do not propose to see their control of the market interfered with by outsiders. And who are outsiders? Why, all the rest of the people of the United States are outsiders.

They are rapidly making us outsiders with respect even of the things that come from the bosom of the earth, and which belong to us in a peculiar sense. Certain monopolies in this country have gained almost complete control of the raw material, chiefly in the mines, out of which the great body of manufactures are carried on, and they now discriminate, when they will, in the sale of that raw material between those who are rivals of the monopoly and those who submit to the monopoly. We must soon come to the point where we shall say to the men who own these essentials of industry that they have got to part with these essentials by sale to all citizens of the United States with the same readiness and upon the

same terms. Or else we shall tie up the resources of this country under private control in such fashion as will make our independent development absolutely impossible. . . .

I have been told by a great many men that the idea I have, that by restoring competition you can restore industrial freedom, is based upon a failure to observe the actual happenings of the last decades in this country; because, they say, it is just free competition that has made it possible for the big to crush the little. I reply, it is not free competition that has done that; it is illicit competition. It is competition of the kind that the law ought to stop, and can stop,—this crushing of the little man. . . .

Monopolies and Roosevelt

The doctrine that monopoly is inevitable and that the only course open to the people of the United States is to submit to and regulate it found a champion during the campaign of 1912 in the new party, or branch of the Republican party, founded under the leadership of Mr. [Theodore] Roosevelt. . . .

You know that Mr. Roosevelt long ago classified trusts for us as good and bad, and he said that he was afraid only of the bad ones. Now he does not desire that there should be any more bad ones, but proposes that they should all be made good by discipline, directly applied by a commission of executive appointment. All he explicitly complains of is lack of publicity and lack of fairness; not the exercise of power, for throughout that plank [of the new party platform] the power of the great corporations is accepted as the inevitable consequence of the modern organization of industry. All that it is proposed to do is to take them under control and regulation. The national administration having for sixteen years been virtually under the regulation of the trusts, it would be merely a family matter were the parts reversed and were the other members of the family to exercise the regulation. And the trusts, apparently, which might, in such circumstances, comfortably continue to administer our affairs under the mollifying influences of the federal government, would then, if you please, be the instrumentalities by which all the humanistic, benevolent program of the rest of that interesting platform would be carried out!

The third [Roosevelt's] party says that the present system of our industry and trade has come to stay. Mind you, these artificially built up things, these things that can't maintain themselves in the market without monopoly, have come to stay, and the only thing that the government can do, the only thing that the third party proposes should be done, is to set up a commission to regulate them. It accepts them. It says: "We will not undertake, it were futile to undertake, to prevent monopoly, but we will go into an

arrangement by which we will make these monopolies kind to you. We will guarantee that they shall be pitiful. We will guarantee that they shall pay the right wages. We will guarantee that they shall do everything kind and public-spirited, which they have never heretofore shown the least inclination to do."

Don't you realize that that is a blind alley? You can't find your way to liberty that way. You can't find your way to social reform through the forces that have made social reform necessary. . . .

The Crucial Decision

Shall we try to get the grip of monopoly away from our lives, or shall we not? Shall we withhold our hand and say monopoly is inevitable, that all that we can do is to regulate it? Shall we say that all that we can do is to put government in competition with monopoly and try its strength against it? Shall we admit that the creature of our own hands is stronger than we are? We have been dreading all along the time when the combined power of high finance would be greater than the power of the government. Have we come to a time when the President of the United States or any man who wishes to be the President must doff his cap in the presence of this high finance, and say, "You are our inevitable master, but we will see how we can make the best of it"?

We are at the parting of the ways. We have, not one or two or three, but many, established and formidable monopolies in the United States. We have, not one or two, but many, fields of endeavor into which it is difficult, if not impossible, for the independent man to enter. We have restricted credit, we have restricted opportunity, we have controlled development, and we have come to be one of the worst ruled, one of the most completely controlled and dominated, governments in the civilized world—no longer a government by free opinion, no longer a government by conviction and the vote of the majority, but a government by the opinion and the duress of small groups of dominant men. . . .

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*"Our purpose is the restoration
of freedom. We purpose to prevent
private monopoly by law."*

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When you have thought the whole thing out, therefore, you will find that the program of the new party legalizes monopolies and systematically subordinates workingmen to them and to plans made by the government both with regard to employment and with regard to wages. Take the thing as a whole,

and it looks strangely like economic mastery over the very lives and fortunes of those who do the daily work of the nation; and all this under the overwhelming power and sovereignty of the national government. What most of us are fighting for is to break up this very partnership between big business and the government. We call upon all intelligent men to bear witness that if this plan were consummated, the great employers and capitalists of the country would be under a more overpowering temptation than ever to take control of the government and keep it subservient to their purpose.

What a prize it would be to capture! How unsailable would be the majesty and the tyranny of monopoly if it could thus get sanction of law and the authority of government! By what means, except open revolt, could we ever break the crust of our life again and become free men, breathing an air of our own, living lives that we wrought out for ourselves?

You cannot use monopoly in order to serve a free people. You cannot use great combinations of capital to be pitiful and righteous when the consciences of great bodies of men are enlisted, not in the promotion of special privilege, but in the realization of human rights. When I read those beautiful portions of the program of the third party devoted to the uplift of mankind and see noble men and women attaching themselves to that party in the hope that regulated monopoly may realize these dreams of humanity, I wonder whether they have really studied the instruments through which they are going to do these things. The man who is leading the third party has not changed his point of view since he was President of the United States. . . .

Monopolies Cannot Change

I do not trust any promises of a change of temper on the part of monopoly. Monopoly never was conceived in the temper of tolerance. Monopoly never was conceived with the purpose of general development. It was conceived with the purpose of special advantage. Has monopoly been very benevolent to its employees? Have the trusts had a soft heart for the working people of America? Have you found trusts that cared whether women were sapped of their vitality or not? Have you found trusts who are very scrupulous about using children in their tender years? Have you found trusts that were keen to protect the lungs and the health and the freedom of their employees? Have you found trusts that thought as much of their men as they did of their machinery? Then who is going to convert these men into the chief instruments of justice and benevolence? . . .

I do not want to see the special interests of the United States take care of the workingmen, women, and children. I want to see justice, righteousness,

fairness and humanity displayed in all the laws of the United States, and I do not want any power to intervene between the people and their government. Justice is what we want, not patronage and condescension and pitiful helpfulness. The trusts are our masters now, but I for one do not care to live in a country called free even under kind masters. I prefer to live under no masters at all. . . .

The reason that America was set up was that she might be different from all the nations of the world in this: that the strong could not put the weak to the wall, that the strong could not prevent the weak from entering the race. America stands for opportunity. America stands for a free field and no favor. America stands for a government responsive to the interests of all. And until America recovers those ideals in practice, she will not have the right to hold her head high again amidst the nations as she used to hold it.

Restoring Freedom

It is like coming out of a stifling cellar into the open where we can breathe again and see the free spaces of the heavens to turn away from such a doleful program of submission and dependence toward the other plan, the confident purpose for which the people have given their mandate. Our purpose is the restoration of freedom. We purpose to prevent private monopoly by law, to see to it that the methods by which monopolies have been built up are legally made impossible. We design that the limitations on private enterprise shall be removed, so that the next generation of youngsters, as they come along, will not have to become protégés of benevolent trusts, but will be free to go about making their own lives what they will; so that we shall taste again the full cup, not of charity, but of liberty,—the only wine that ever refreshed and renewed the spirit of a people.

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