

# Extracts From Senator Hoar's Speech on Trusts

- The chief evils of the trust are:
1. Destruction of competition;
  2. The management of local industries by absentees in the interest of absentee capital;
  3. Destruction of local public spirit;
  4. Fraudulent capitalization;
  5. Secrecy;
  6. Management for the private benefit of the officials;
  7. The power to corrupt elections, and in some cases to corrupt the courts;
  8. The want of personal responsibility to public sentiment;
  9. The absence of personal liability for contracts or wrong doing;
  10. The holding of vast properties in mortmain—the "dead hand," if we may use the ancient phrase of the English law. But it has life enough for all purposes of power to serve the will that wields it. It is dead only to the influence of any nerve which comes from the brain or heart of the people.

Every Senator can find in his own experience plenty of illustration of what I am saying. I hope I have learned something from my own.

It is said that the trust fosters these things, and that one who checks them is to put every article manufactured by a trust upon the free list. That, I do not think, would help matters much. Certainly it would not reach carriers or dealers in the natural product of the country, like the Standard Oil Company, or the dealers in cotton or wheat, or the owners of mines. The railroad and the steamboat companies would be exempt from the foreign product. Besides, as we said the other day, I think by my colleague, if you put the product of the trust on the free list—unless the trust have an absolute monopoly of the article—you will kill out all of its weaker competitors and give it the whole domestic field; and you give an advantage to the foreign trust over the individual domestic manufacturer.

There may be some weight and value to the suggestion, and the remedy may be worth thinking of, if there be any case where any article is wholly controlled and monopolized by a trust. I can easily understand the impatience and indignation of the gentlemen who have made this proposition when they think of an artificial being, with an artificial capital and an artificial stock, crushing out all domestic competition by an artificial and illegal artifice and getting control of the home market. So I do not wonder that that remedy has occurred to some good men. But I do not believe it will bear examination. At any rate, I think I can find a better one and, as I believe, that will not destroy the policy by which this country has gained its present prosperity.

I spoke just now of these great corporate powers, which are exercised in combination with single corporations, as compared with the frequent return to the people of all powers of government, State and national.

Mr. President, Mr. Calhoun, I think it was said, that when the patronage of this government should have so increased that the party in power could appoint and control a hundred thousand officials it could never be controlled. They would be, as he thought, too strong for the people. He underrated the strength of the men out of power who desire to become officeholders, and he underrated the wisdom and patriotism of the American people and its capacity to take care of itself in time. We have protected ourselves against that danger in part by our civil-service laws, just as we will protect ourselves sooner or later against the danger from aggregate wealth without a revolution, and, I hope, without social disorder or the overthrow of our institutions or interference with our form of government, let alone the danger from the concentration of power in the hands of a few.

Just consider how comparatively trifling is the power of an administration so far as it depends on the consent of its officeholders compared with that of a great aggregate of corporations or great accumulation of wealth such as I have described.

You will elect your governor only for one or two or three years, and your president for four, and your senator for six, and your representative for two. All your executive officers are removable, and most of the important officials are national, go out of power with the party with whom they came in. They have moderate salaries. The Senator gets less salary, and the representative gets less salary, not only than the mayors of important cities, but less than fashionable tailors pay their cutters.

Now, these great corporations can appoint their agents for life, or as long as they do the bidding of the central will. In every town or village where there is a shop or an agency or a depot the corporation has one of the most skillful or influential men in the community for its life officer. It can bid successfully against the government when it wants the great lawyer for judge of the Supreme Court of the United States or Attorney-General. It can pay for a single fee not only more than a public officer can save for his old age, but more than the aggregate compensation of his life. I had two friends and intimate companions in my youth at the law school. One of them died lately in the great office of judge of the Supreme Court of the United States, known and honored as one of the great judges of the world, leaving behind him a simple and modest competence. If I suppose he had gained that before he went upon the bench after his nearly forty years of illustrious service. The other, also dead, is said by his biographer to have received one single fee of a million dollars.

Not only this, Mr. President, but these great powers can put their hand on a village or in a town or a city, and it will grow and flourish or it will wither and wither, according to the will of an outside and irresistible will. The great railroad or the great manufacturing establishment holds in its hands the fate of cities and of States.

Massachusetts undertake to curb or regulate a corporation at Lowell or at Fall River, and the president in New York does not like it. He can move it to Indianapolis or Chicago. The State undertakes to pass its laws regulating the hours of labor, or the sanitary conditions of the employment of children in the factory in Massachusetts. What has happened? The trust moves its factory to Rhode Island—that is all. Now, what is the consequence? The workmen must combine for self-defense. They also catch the spirit of monopoly and unlawful combination. The edict of their boss must be obeyed also. The workman who does not submit to the individual will to the edict of the trade union can neither work himself nor teach his children to work. The whole manufacture of the country in any branch on one side and the whole labor of the country in that manufacture on the other are to be controlled by two great corporations, by which, as between the upper and the nether millstone, the liberty of the individual, which has made alike the glory and the strength of the Republic is gone.

But the owner says, "Have I not a right to do what I will with mine own?" You have not the right to do what you will with your own when you get wealth in such masses that it becomes a menace to the State. You have not that right when you are a corporation deriving all your power from the State or nation. While you are a State or nation, into whom the State or nation has put the breath of life, and given the law to its being, you are absolutely subject to the State or nation. The State or nation has the right to impose a law upon your being, which shall make you healthful and not hurtful to the community. The State created you. It gave you your immunity from personal responsibility for debts. It commits to you, if you are a railroad or you are a manufacturing corporation using water power its own great right of eminent domain. Congress has the right to say that no such artificial being shall engage in interstate commerce except on certain conditions. One of those conditions will be the personal liability of you individual members for contracts and for wrongs, unless you comply with its commands. You have got your power from the public. Your property would be valueless but for the agencies and powers which have been committed to you by the State. The State has delegated to you its power of eminent domain, the right to take private lands, and to cross highways and navigable waters, and to lay your track in some cases along the highways. The State has as much right to compel you to use your powers that you shall not be an injury to the individual engaged in lawful commerce as it has to require you so to manage your locomotive that you shall not be a danger to men lawfully traveling on the high way or to the passenger whom you carry.

I am opposed to the government ownership of great labor-employing industries. I am opposed to the government ownership of coal mines or railroads. I do not see why, if the government is to prevent a famine or scarcity of fuel by ownership, it should not own the sources of food supply, that it might prevent scarcity of food, or the woe of cotton factories, that it might prevent a scarcity of clothing. If the government is to be the great employer, the wages of labor must be fixed by law. Wages cannot be fixed equally to every workman. The energetic and the slothful and the intelligent and the dull; the man of enterprise and of inventive genius and the man whose fingers are all thumbs must stand on the same dead level. Besides, if wages are to be fixed by the government, then the question of wages becomes a question of politics. The two parties must compete with one another by outbidding each other for the votes, and paying for votes in increased wages. No government but a despotism can control and supply the great necessities of life.

I have no sympathy with any attack on wealth honorably acquired and lawfully used. I have no dislike for great corporate powers. I think, in general, it is better that they be wielded by private and individual combination than the government. They are necessary to national greatness. We cannot maintain our equality among the nations of the earth and we can achieve the supremacy now easily within our grasp without them. I may as well be jealous of gunpowder or dynamite, or of steam, or of electricity, or of the power of gravitation, or the current of Niagara. So long as these are our servants and we at their masters we are safe and healthy and great. But it is service and no mastery that Aladdin expects of the magician. Let the great railroad corporation span the continent and glide the earth in the service of the American people. But it must never forget that it is the slave of the ring and that the American people is the Aladdin. Let the steel company, if it will light up every valley and mountain side of the continent with the light of its furnace fires. Let the American Steamboat Company do the carrying for the world; but it must be content to be to the American people in the relation of slave of the lamp and not of master.

What is called socialism, Mr. President, will never cure or prevent the evil I have described. That, also, will be destructive of the great principle of emulation and individual excellence. It will be quite as bad, in my judgment, as the power of great corporations. Some way can be curbed, and it will be some way be broken when it becomes too dangerous. But a general reducing of mankind to a dead level, such as must happen when the State manages and owns the great industries and wages are fixed by vote at the elec-

tions, would, if it were possible to succeed, be destructive of everything which makes life worth living or manhood worth respecting. But there is no permanent danger, I think, from socialism. The socialist, whether he be a dreamer in some college hall or some idle and restless agitator, fails to take into account one important and essential thing in making his calculation; that is, human nature. Socialism may do for China or for Turkey, but it will never be a Yankee remedy.

So we must remember that we are dealing with the most important question that has come up for legislation for a long time, or is likely to come up for a long time to come. We are to deal not only with foreign commerce, but with that compared with which our foreign commerce and the foreign commerce of the world are but a drop in the bucket—the domestic commerce of the United States. No statistics can measure it. No imagination can grasp it. No human intelligence can comprehend it. I have no doubt it is greater than any other commerce on earth. I incline to believe that it is greater than that of all the domestic commerce of the world put together. That commerce is conducted largely by these artificial beings called corporations and joint stock companies. It is not to be conducted with convenience or safety in any other way. It must necessarily be conducted as all great business is conducted, by large aggregations of capital. We cannot not help it if we would. We would not help it if we could. The public can not get along without them, unless we would turn the United States into another Siberia. I remember very well, Mr. President, when the railroad that extends from Albany to Buffalo was owned by seven different corporations, each having its own separate mechanism and each having no connection with the others. If there came a great snow storm one day would clear its track in a day, but those on each side of it might take a week. The passenger got his ticket or each road, and the shipper dealt with seven separate, different carriers. Now the railroad is under one management and crosses the continent from one ocean to the other, and it will soon cross the continent under the same ownership. So we must, in devising our remedy, go cautiously and slowly. We must calmly bear the ills we have rather than fly to those we know not of. Our engineering must be conducted like that of the engineer of a steamship, which some of us remember to have witnessed when the foundation of the Washington Monument, originally designed to support a structure 30 or 100 feet high, was removed from under it by a great engineer, and another substituted to support the structure of 555 feet in height, and there was not a rack, or a leaning, or a sinking by a hair's breadth in the whole operation. We can do the same thing in protecting our commerce and our country from the danger I have described. If we approach our task in the spirit of statesmanship, and not in the spirit of party, and will settle these questions with our judgment and brains, and not with our anger and prejudices.

**No: a Runaway**

It has been stated on the highest authority that the Harwood-Wall marriage, which took place in Raleigh more than a year ago, and which is now the subject of a divorce suit at Norfolk, was not a runaway affair. Both the man and the woman were of full age, and it was not necessary to have the consent of anybody to their marriage.

**Carnegie's Latest Offer**

Philadelphia, Jan. 6.—Andrew Carnegie has offered \$1,500,000 to the free library of Philadelphia to establish thirty branch libraries in as many sections of the city. The conditions attached to the gift are that \$50,000 is to be expended for the erection of each building, the sites to be provided by Philadelphia or by private individuals. Offers of sites will be announced today.

## The Indianola Side of the Trouble Stated

Indianola, Jan. 6.—Upon behalf of the citizens and on request of the southern representatives in Congress, Judge P. Chapman today mailed the following statement of the post office affair which incorporates an appeal for an establishment of the mail service:

Indianola, Miss., Jan. 6.

Hon. A. J. McLaurin, Washington, D. C.

Dear Sir: Your telegram of the 5th inst. delivered, and I take pleasure in giving the facts as to the resignation of the postmistress.

About the first of October the citizens of Indianola held a meeting and appointed a committee of three to circulate a petition asking Minnie Cox to resign. This petition was to be returned at a meeting of the citizens to be held a week later. It was circulated and signed by a large number of citizens of Indianola.

Wayne Cox, husband of Minnie Cox, in the evening of the meeting, called at my office and said he desired to have me state to the mass meeting that night that he had discovered that his wife had discovered that she was a citizen of Indianola and did not wish to be a postmistress any longer, and he would respectfully request that I read the enclosed resignation.

The resignation was signed by his wife. The only request made in regard to the resignation was that his wife should have time to get her reports ready and get her office in shape so that she might not get out without a perfect settlement of affairs with the government. He stated further that he had been a citizen of this county for years and that the people were his friends and had always treated him properly. He and his wife did not wish to hold the office after a petition

## GREENSBORO IS MAKING PROGRESS

The Record of the Past Year Makes an Excellent Showing.

Greensboro, N. C., Jan. 6.—Special-Much has been said regarding the progress made by Greensboro of recent date, but for a wider conception and a better understanding of what has been accomplished, it is well to briefly review the happenings of the past twelve months.

Under the head of manufacturing enterprises are noted the Hardware Manufacturing Company, manufacturers of cutlery and shaving collecting plants; Wyson & Miles, in metal working business; the re-opening of the furnace of the Steel & Iron Company, and the branch business which is now fully under way of the American Cigar Company. Perhaps the most valuable acquisition of the city in the manufacturing line for the year is the White Oak Mill, which, while not yet in operation, is in course of construction, and properly belongs to the enterprises launched during 1902. This is the biggest mill in the world for the manufacture of denim.

An important factor in the progress of Greensboro in 1902 was the launching of the business of the Greensboro Electric Company, which has equipped and put in operation an excellent street car service traversing some miles of the city's most important thoroughfares in addition to operating an electric light and power plant.

During the year 75 new mercantile additions have been made to the list of business enterprises in Greensboro. It is conservatively estimated that the 75 new enterprises control capital aggregating \$542,000, or a net increase of \$278,000. In this estimate it is but fair to state that the capital of the American Cigar Company, the Empire Steel and Iron Company, the White Oak Mill Company and the street car company has not been taken into account. It is gratifying to know that within the last seven months of 1902 only two casualties are reported, and it subsequently develops that one of these two concerns paid one hundred cents on the dollar to the creditor. For the entire year state only 64 failures are reported with assets of \$388,249.00 and liabilities of \$655,419, as against 103 during 1901, for which assets footed up \$529,814 as against liabilities of \$731,441, a decrease of 39 over 1901 and a decrease in liabilities of \$76,922.

## NEWS FROM FEZ

Three Reports Received and all Contradictory

Madrid, Jan. 6.—The prime minister, Senor Silveira, announced to the King today that all the official dispatches from Morocco confirmed the report that Bu Mamma, the pretender, was in full retreat from Fez.

Madrid, Jan. 6.—It is rumored at Ceuta and Tetuan, Morocco, that the pretender has again defeated the sultan's troops. The Benadir and Wad-ras Mohammedan fanatics are going through the country and circulating reports that the pretender is performing miracles.

Tangier, Jan. 6.—Official couriers from the foreign legations at Fez, which has been reported besieged by the pretender, have arrived here. They report that the situation was unchanged when they left.

Mr. Samuel Berwanger received a telegram yesterday announcing the sudden death of his brother, Mr. Louis Berwanger, which occurred at his home in Logansport, Ind. Mr. Berwanger leaves a wife and four children.

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## IN A MUDDLE

Charleston People Do Not See How They Can Defeat Crum

Charleston, S. C., Jan. 6.—While the business people of Charleston are endeavoring to prevent the confirmation of W. D. Crum, the negro who was appointed collector of customs by President Roosevelt yesterday, they are at a loss tonight to know how to proceed in view of the statement of Senator Tillman. In reply to queries from his constituents Senator Tillman declared that it would be necessary for the commercial organizations to give him something substantial to fight Crum with if they expected him to accomplish anything.

All the reasons that the city could present in its plea against Crum's nomination were put before the president weeks ago, though these were not regarded as sufficient by the administration. The best the commercial bodies can hope to do in the matter is to submit resolutions, but these will amount to little. It was said tonight by prominent citizens who have been engineering the fight that some action would be taken.

## SUGAR BOUNTY CASE

Action of the Collector at Baltimore Sustained

Washington, Jan. 6.—The Russian sugar bounty case, originating in Baltimore was decided by the supreme court today, the action of the customs authorities imposing an extra duty being sustained. The question involved was "Does the government of Russia pay a bounty on the sugar exported from the country?"

Announcing the decision of the court, Mr. Justice Brown reviewed at length the laws of Russia governing the manufacture and sale of sugar, which is conducted under a close government supervision. Whatever it may be called, said the justice, it is clear that, what is in effect a bounty, is paid on sugar exported from Russia, and therefore the action of the collector imposing an additional duty on sugar imported therefrom equivalent hereto is legal, and the judgment of the court below is affirmed.

Mr. W. J. Edwards of Sanford appeared before Judge Thomas R. Purcell yesterday morning and qualified as receiver of the Carolina and Northern Railroad Company, the Southern Mills and Lumber Company and the railroad construction company. He gave his bond of \$25,000 and it was accepted by Judge Purcell before the oath was administered.

Yesterday's session of the Wake superior court was devoted entirely to the trial of a number of petit cases of no special interest.

## News and Opinions of National Importance

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