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Regular Terms of Court.

Fourth Monday of February. Third Monday of May. Fourth Monday of September. Third Monday of November.

Church and Sabbath Schools.

Presbyterian Sabbath School at 9:45 a. m.; M. E. Sabbath School at 10:30 a. m. Preaching in M. E. Church every Sabbath evening by Rev. W. S. Burton.

Regular Meetings of County Commissioners.

First and 3d Tuesdays of month.

Business Directory.

TIONESTA LODGE, No. 369, I. O. O. F. Meets every Tuesday evening, in Odd Fellows' Hall, Partridge building.

CAPT. GEORGE STOW POST, No. 274 G. A. R. Meets 1st Tuesday afternoon of each month at 3 o'clock.

CAPT. GEORGE STOW CORPS, No. 137, W. R. C. Meets first and third Wednesday evening of each month.

T. F. RITCHEY, ATTORNEY-AT-LAW, Tionesta, Pa.

M. A. CARRINGER, Attorney and Counselor-at-Law, Office over Forest County National Bank Building, TIONESTA, PA.

CURTIS M. SHAWKEY, ATTORNEY-AT-LAW, Warren, Pa. Practice in Forest Co.

A. C. BROWN, ATTORNEY-AT-LAW, Office in Arner Building, Cor. Elm and Bridge Sts., Tionesta, Pa.

FRANK S. HUNTER, D. D. S. Rooms over Citizens Nat. Bank, TIONESTA, PA.

DR. F. J. BOVARD, Physician & Surgeon, TIONESTA, PA. Eyes Tested and Glasses Fitted.

DR. J. B. SIGGINS, Physician and Surgeon, OIL CITY, PA.

HOTEL WEAVER, JOSEPH RENSI, Proprietor. Modern and up to date in all its appointments. Every convenience and comfort provided for the traveling public.

CENTRAL HOUSE, R. A. FULTON, Proprietor. Tionesta, Pa. This is the most centrally located hotel in the place, and has all the modern improvements. No pains will be spared to make it a pleasant stopping place for the traveling public.

PHIL. EMERT, FANCY BOOT & SHOEMAKER. Shop over R. L. Haslet's grocery store on Elm street. Is prepared to do all kinds of custom work from the finest to the coarsest and guarantees his work to give perfect satisfaction.

Fred. Grettenberger GENERAL BLACKSMITH & MACHINIST. All work pertaining to Machinery, Engines, Oil Well Tools, Gas or Water Pumps and General Blacksmithing promptly done at low rates. Repairing Mill Machinery given special attention, and satisfaction guaranteed.

Shop in rear of and just west of the Shaw House, Tionesta, Pa. Your patronage solicited.

FRED. GRETTEBERGER

Go to the Tionesta

Racket Store

FOR

Holiday Goods

Hand Painted China. Japanese China. Decorated Glassware. Christmas Decorations. Post Cards.

Dolls, Toys, Games, &c.

G. F. RODDA,

Next Door to the Fruit Store, Elm Street, Tionesta, Pa.

MESSAGE OF THE PRESIDENT

Mr. Taft Champions the Anti-trust Statute.

NEW REMEDIES SUGGESTED.

Not Repeal or Amendment, but Supplemental Legislation Needed—The Tobacco Trust Decision an Effective One—Federal Incorporation Recommended and a Federal Corporation Commission Proposed—The Test of "Reasonableness."

To the Senate and House of Representatives: This message is the first of several which I shall send to Congress during the interval between the opening of its regular session and its adjournment for the Christmas holidays.

The Anti-trust Law—The Supreme Court Decisions.

In May last the supreme court handed down decisions in the suits in equity brought by the United States to enforce the further maintenance of the Standard Oil trust and of the American Tobacco trust and to secure their dissolution. The decisions are epoch making and serve to advise the business world authoritatively of the scope and operation of the anti-trust act of 1890.

No Change in the Rule of Decision, Merely in its Form of Expression.

The statute in its first section declares to be illegal "every contract, combination in the form of trust or otherwise or conspiracy in restraint of trade or commerce among the several states or with foreign nations" and in the second declares guilty of a misdemeanor "every person who shall monopolize or attempt to monopolize or combine or conspire with any other person to monopolize any part of the trade or commerce of the several states or with foreign nations."

In two early cases, where the statute was invoked to enforce a transportation rate agreement between interstate railroad companies, it was held that it was no defense to show that the agreement as to rates complained of was reasonable at common law, because it was said that the statute was directed against all contracts and combinations in restraint of trade, whether reasonable at common law or not. It was plain from the record, however, that the contracts complained of in those cases would not have been deemed reasonable at common law.

These cases of restraint of trade that the court excepted from the operation of the statute were instances which at common law would have been called reasonable. In the Standard Oil and tobacco cases, therefore, the court merely adopted the tests of the common law and in defining exceptions to the literal application of the statute only substituted for the test of being incidental or indirect that of being reasonable, and this without varying in the slightest the actual scope and effect of the statute. In other words, all the cases under the statute which have now been decided would have been decided the same way if the court had originally accepted in its construction the rule at common law.

It has been said that the court by introducing into the construction of the statute common law distinctions has emasculated it. This is obviously untrue. By its judgment every contract and combination in restraint of interstate trade made with the purpose or necessary effect of controlling prices by stifling competition or of establishing in whole or in part a monopoly of such trade is condemned by the statute. The most extreme critics cannot instance a case that ought to be condemned under the statute which is not brought within its terms as thus construed.

The suggestion is also made that the supreme court by its decision in the last two cases has committed to the court the undefined and unlimited discretion to determine whether a case of restraint of trade is within the terms

of the statute. This is wholly untrue. A reasonable restraint of trade at common law is well understood and is clearly defined. It does not rest in the discretion of the court. It must be limited to accomplish the purpose of a lawful main contract to which in order that it shall be enforceable at all it must be incidental. If it exceeds the needs of that contract it is void.

The test of reasonableness was never applied by the court at common law to contracts or combinations or conspiracies in restraint of trade whose purpose was or whose necessary effect would be to stifle competition, to control prices or establish monopolies. The courts never assumed power to say that such contracts or combinations or conspiracies might be lawful if the parties to them were only moderate in the use of the power thus secured and did not exact from the public too great and exorbitant prices. It is true that many theorists and others engaged in business violating the statute have hoped that some such line could be drawn by courts, but no court of authority has ever attempted it. Certainly there is nothing in the decisions of the latest two cases from which such a dangerous theory of judicial discretion in enforcing this statute can derive the slightest sanction.

Force and Effectiveness of Statute a Matter of Growth.

We have been twenty years making this statute effective for the purposes for which it was enacted. The knight case was discouraging and seemed to remit to the states the whole available power to attack and suppress the evils of the trusts. Slowly, however, the error of that judgment was corrected, and only in the last three or four years has the heavy hand of the law been laid upon the great illegal combinations that have exercised such an absolute dominion over many of our industries. Criminal prosecutions have been brought, and a number are pending, but juries have felt averse to convicting for jail sentences and judges have been most reluctant to impose such sentences on men of respectable standing in society whose offense has been regarded as merely statutory.

Size of New Companies.

Objection was made by certain independent tobacco companies that this settlement was unjust because it left companies with very large capital in active business and that the settlement that would be effective to put all on an equality would be a division of the capital and plant of the trust into small fractions in amount more nearly equal to that of each of the independent companies. This contention results from a misunderstanding of the anti-trust law and its purpose. It is not intended thereby to prevent the accumulation of large capital in business enterprises in which such a combination can secure reduced cost of production, sale and distribution. It is directed against such an aggregation of capital only when its purpose is that of stifling competition, enhancing or controlling prices, and establishing a monopoly. If we shall have the decree defeated these purposes and restored competition between the large units into which the capital and plant have been divided we shall have accomplished the useful purpose of the statute.

Confiscation Not the Purpose of the Statute.

It is not the purpose of the statute to confiscate the property and capital of the offending trusts and methods of punishment by fine or imprisonment of the individual offenders, by fine of the corporation or by forfeiture of its goods in transportation are provided, but the proceeding in equity is a specific remedy to stop the operation of the trust by injunction and prevent the future use of the plant and capital in violation of the statute.

Effectiveness of Decree.

I venture to say that not in the history of American law has a decree more effective for such a purpose been entered by a court than that against the tobacco trust. As Circuit Judge Noyes said in his judgment approving the decree: "The extent to which it has been necessary to tear apart this combination and force it into new forms with the attendant burdens ought to demonstrate that the federal anti-trust statute is a drastic statute which accomplishes effective results, which so long as it stands on the statute books must be obeyed and which cannot be disobeyed without incurring far-reaching penalties. And, on the other hand, the successful reconstruction of this organization should teach that the effect of enforcing this statute is not to destroy, but to reconstruct; not to demolish, but to recreate in accordance with the conditions which the congress has declared shall exist among the people of the United States."

Common Stock Ownership.

It has been assumed that the present pro rata and common ownership in all these companies by former stockholders of the trust would insure a continuance of the same old single control of all the companies into which the trust has by decree been disintegrated. This is erroneous and is based upon the assumed inefficiency and innocuousness of judicial injunctions. The companies are enjoined from co-operation or combination; they have different managers, directors, purchasing and sales agents. If all or many of the numerous stockholders, reaching into the thousands, attempt to secure concerted action of the companies with a view to the control of the market their number is so large that such an attempt could not well be concealed, and its prime movers and all its participants would be at once subject to contempt proceedings and imprisonment as a result of the present situation will necessarily be actively by all the companies under different managers, and then competition must follow or there will be activity by one company and stagnation by another. Only a short time will inevitably lead to a change

in ownership of the stock, as all opportunity for continued co-operation must disappear. Those critics who speak of this disintegration in the trust as a mere change of garments have not given consideration to the inevitable working of the decree and understand little the personal danger of attempting to evade or set at naught the solemn injunction of a court whose object is made plain by the decree and whose inhibitions are set forth with a detail and comprehensiveness unexampled in the history of equity jurisprudence.

Voluntary Reorganizations of Other Trusts at Hand.

The effect of these two decisions has led to decrees dissolving the combination of manufacturers of electric lamps, a southern wholesale grocers' association, an intercoastal decree against the powder trust, with directions by the circuit court compelling dissolution, and other combinations of a similar history are now negotiating with the department of justice looking to a disintegration by decree and reorganization in accordance with law. It seems possible to bring about these reorganizations without general business disturbance.

Movement For Repeal of the Anti-trust Law.

But now that the anti-trust act is seen to be effective for the accomplishment of the purpose of its enactment we are met by a cry from many different quarters for its repeal. It is said to be obstructive of business progress, to be an attempt to restore old fashioned methods of destructive competition between small units and to make impossible those useful combinations of capital and the reduction of the cost of production that are essential to continued prosperity and normal growth.

Lack of Definiteness in the Statute.

The complaint is made of the statute that it is not sufficiently definite in its description of that which is forbidden to enable business men to avoid its violation. The suggestion is that we may have a combination of two corporations which may run on for years and that subsequently the attorney general may conclude that it was a violation of the statute and that which was supposed by the combiners to be innocent then turns out to be a combination in violation of the statute. The answer to this hypothetical case is that when men attempt to amass such stupendous capital as will enable them to suppress competition, control prices and establish a monopoly they know the purpose of their acts. Men do not do such a thing without having it clearly in mind. If what they do is merely for the purpose of reducing the cost of production, without the thought of suppressing competition by use of the bigness of the plant they are creating, then they cannot be convicted at the time the union is made, nor can they be convicted later unless it happen that later on they conclude to suppress competition and take the usual methods for doing so and thus establish for themselves a monopoly. They can in such a case hardly complain if the motive which subsequently is disclosed is attributed by the court to the original combination.

New Remedies Suggested.

Much is said of the repeal of this statute and of constructive legislation intended to accomplish the purpose and blaze a clear path for honest merchants and business men to follow. It may be that such a plan will be evolved, but I submit that the discussions which have been brought out in recent days by the fear of the continued execution of the anti-trust law have produced nothing but glittering generalities and have offered no line of distinction or rule of action as definite and as clear as that which the supreme court itself lays down in enforcing the statute.

Supplemental Legislation Needed, Not Repeal or Amendment.

I see no objection, and indeed I can see decided advantages, in the enactment of a law which shall describe and denounce methods of competition which are unfair and are badges of the unlawful purpose denounced in the anti-trust law. The attempt and purpose to suppress a competitor by underselling him at a price so unprofitable as to drive him out of business or the making of exclusive contracts with customers under which they are required to give up association with other manufacturers and numerous kindred methods for stifling competition and effecting monopoly should be described with sufficient accuracy in a criminal statute on the one hand to enable the government to shorten its task by prosecuting single misdemeanors instead of an entire conspiracy and on the other hand to serve the purpose of pointing out more in detail to the business community what must be avoided.

Federal Incorporation Recommended.

In a special message to congress on Jan. 7, 1910, I ventured to point out

the disturbance to business that would probably attend the dissolution of these offending trusts. I said: "But such an investigation and possible prosecution of corporations whose prosperity or destruction affects the comfort not only of stockholders, but of millions of wage earners, employees and associated tradesmen, must necessarily tend to disturb the confidence of the business community, to dry up the now flowing sources of capital from its places of hoarding and produce a halt in our present prosperity that will cause suffering and strained circumstances among the innocent many for the faults of the guilty few. The question which I wish in this message to bring clearly to the consideration and discussion of congress is whether, in order to avoid such a possible business danger, something cannot be done by which these business combinations may be offered a means, without great financial disturbance, of changing the character, organization and extent of their business into one within the lines of the law under federal control and supervision, securing compliance with the anti-trust statute."

Generally in the Industrial Combinations Called "Trusts" the Principal Business is the Sale of Goods in Many States and in Foreign Markets—in Other Words, the Interstate and Foreign Business Far Exceeds the Business Done in Any One State.

This fact will justify the federal government in granting a federal charter to such a combination to make and sell in interstate and foreign commerce the products of useful manufacture under such limitations as will secure a compliance with the anti-trust law. It is possible so to frame a statute that, while it offers protection to a federal company against harmful, vexatious and unnecessary invasion by the states, it shall subject it to reasonable taxation and control by the states with respect to its purely local business. \*\*\*

Corporations Organized under this Act Should be Prohibited from Acquiring and Holding Stock in Other Corporations (except for special reasons, upon approval by the proper federal authority), thus avoiding the creation of a company with subordinate corporations in different states, which has been such an effective agency in the creation of the great trusts and monopolies.

If the prohibition of the anti-trust act against combinations in restraint of trade is to be effectively enforced it is essential that the national government shall provide for the creation of national corporations to carry on a legitimate business throughout the United States. The conflicting laws of the different states of the Union with respect to foreign corporations make it difficult, if not impossible, for one corporation to comply with their requirements so as to carry on business in a number of different states.

I renew the recommendation of the enactment of a general law providing for the voluntary formation of corporations to engage in trade and commerce among the states and with foreign nations. Every argument which was then advanced for such a law and every explanation which was at that time offered to possible objections has been confirmed by our experience since the enforcement of the anti-trust statute has resulted in the actual dissolution of active commercial organizations.

It is even more manifest now than it was then that the denunciation of conspiracies in restraint of trade should not and does not mean the denial of organizations large enough to be entrusted with our interstate and foreign trade. It has been made more clear now than it was then that a purely negative statute like the anti-trust law may well be supplemented by specific provisions for the building up and regulation of legitimate national and foreign commerce.

Government Administrative Experts Needed to Aid Courts in Trust Dissolutions.

The drafting of the decrees in the dissolution of the present trusts, with a view to their reorganization into legitimate corporations, has made it especially apparent that the courts are not provided with the administrative machinery to make the necessary inquiries preparatory to reorganization or to pursue such inquiries, and they should be empowered to invoke the aid of the bureau of corporations in determining the suitable reorganization of the disintegrated parts. The circuit court and the attorney general were greatly aided in framing the decree in the tobacco trust dissolution by an expert from the bureau of corporations.

Federal Corporation Commission Proposed.

I do not set forth in detail the terms and sections of a statute which might supply the constructive legislation permitting and aiding the formation of combinations of capital into federal corporations. They should be subject to rigid rules as to their organization and procedure, including effective publicity, and to the closest supervision as to the issue of stock and bonds by an executive bureau or commission in the department of commerce and labor, to which in times of doubt they might well submit their proposed plans for future business. It must be distinctly understood that incorporation under a federal law could not exempt the company thus formed and its incorporators and managers from prosecution under the anti-trust law for subsequent illegal conduct, but the publicity of its procedure and the opportunity for frequent consultation with the bureau or commission in charge of the incorporation as to the legitimate purpose of its transactions would offer it as great security against successful prosecutions

for violations of the law as would be practical or wise.

Such a bureau or commission might well be invested also with the duty already referred to of aiding courts in the dissolution and recreation of trusts within the law. It should be an executive tribunal of the dignity and power of the comptroller of the currency or the interstate commerce commission, which now exercises supervisory power over important classes of corporations under federal regulation.

Incorporation Voluntary.

I recommend that the federal charters thus to be granted shall be voluntary, at least until experience justifies mandatory provisions. The benefit to be derived from the operation of great businesses under the protection of such a charter would attract all who are anxious to keep within the lines of the law. Other large combinations that fail to take advantage of the federal incorporation will not have a right to complain if their failure is ascribed to unwillingness to submit their transactions to the careful official scrutiny, competent supervision and publicity attendant upon the enjoyment of such a charter.

Only Supplemental Legislation Needed.

The opportunity thus suggested for federal incorporation, it seems to me, is a suitable constructive legislation needed to facilitate the squaring of great industrial enterprises to the rule of action laid down by the anti-trust law. This statute as construed by the supreme court must continue to be the line of distinction for legitimate business. It must be enforced unless we are to banish individualism from all business and reduce it to one common system of regulation or control of prices like that which now prevails with respect to public utilities and which when applied to all business would be a long step toward state socialism.

Importance of the Anti-trust Act.

The anti-trust act is the expression of the effort of a freedom loving people to preserve equality of opportunity. It is the result of the confident determination of such a people to maintain their future growth by preserving uncontrolled and unrestricted the enterprise of the individual, his industry, his ingenuity, his intelligence and his independent courage.

For twenty years or more this statute has been upon the statute book. All knew its general purpose and approved. Many of its violators were cynical over its assumed impotence. It seemed impossible of enforcement. Slowly the mills of the courts ground, and only gradually did the majesty of the law assert itself. Many of its statesmen-authors died before it became a living force, and they and others saw the evil grow which they had hoped to destroy. Now its efficacy is seen; now its power is heavy; now its object is near achievement. Now we hear the call for its repeal on the plea that it interferes with business prosperity, and we are advised in most general terms how by some other statute and in some other way the evil we are just stamping out can be cured if we only abandon this work of twenty years and try another experiment for another term of years.

It is said that the act has not done good. Can this be said in the face of the effect of the Northern Securities decree? That decree was in no way so drastic or inhibitive in detail as either the Standard Oil decree or the tobacco decree. But did it not stop for all time the then powerful movement toward the control of all the railroads of the country in a single hand? Such a one man power could not have been a healthful influence in the republic, even though exercised under the general supervision of an interstate commission.

Do we desire to make such ruthless combinations and monopolies lawful? When all energies are directed, not toward the reduction of the cost of production for the public benefit by a healthful competition, but toward new ways and means for making permanent in a few hands the absolute control of the conditions and prices prevailing in the whole field of industry, then individual enterprise and effort will be paralyzed and the spirit of commercial freedom will be dead.

WM. H. TAFT. The White House, Dec. 5, 1911.

Got a Free Lecture.

The agent for a handsomely illustrated book to be sold on long time credit—a feast to the intellect and an adornment to any library—leaned against his bench, clinched his fist and looked skyward. "What's the matter?" asked a policeman. "I've met the meanest man," he answered. "I've heard of him, and I've read about him in the papers, but I never expected to meet him face to face."

"Where is he?" "Up in that building."

"How do you know he's the meanest man?" "By the way he acted. I showed him this work of art, lectured on it for half an hour, pointed out the engravings, and when I hinted it would be a good thing to order what you think he said."

"I don't know."

"He said he never bought books, he didn't have to. He just wanted for some idiot of an agent to come along and tell him all that was in 'em and turn over the leaves while he looked at the pictures. Nice, isn't it?"—Epworth Herald.