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IN THE LIGHT OF KOLKO: THE ESTABLISHMENT OF THE BUREAU OF CORPORATIONS

by

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ABSTRACT

In the Light of Kolko: The Establishment of the Bureau of Corporations

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Gabriel Kolko's thesis, that the period from 1900 to 1916 was marked by the triumph of conservatism rather than reform, challenges traditional historical understanding of Progressivism. According to Kolko, business control over politics rather than attempts to democratize the economy via political means was the significant phenomenon of the Progressive Era. Federal intervention in the economy was undertaken frequently in response to the needs and demands of the industries to be regulated. Because they too were conservative, political leaders cooperated with representatives of business and finance in order to guarantee the preservation of existing social and economic relationships essential to a capitalistic society. "Liberals" were blinded to the truth of the political domination of big business by a "fetish" about the desirability of governmental regulation. The result of this alliance between government and business was the creation of a form of "political capitalism" by means of which economic interests obtained conditions of stability, predictability, and security through the utilization of political outlets.

This essay is a case study of Kolko's thesis, concentrating on the establishment of the Bureau of Corporations, the only administrative antitrust measure of any consequence during Theodore Roosevelt's first term in office. In the case of the Bureau, direct business influence was negligible. President Roosevelt chose to support
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the Nelson amendment, which created the Bureau, instead of a more radical measure primarily for political reasons. He used public opinion to force a reluctant Congress to take action. Liberals who favored a much stronger bill were forced to acquiesce in the passage of the Nelson amendment not because they harbored a fetish about federal regulation of business, but because they feared the public would not understand a note against it.

This study reveals that, in the case of the establishment of the Bureau of Corporations, Kolko overestimated the influence of key businessmen and the consensus of values between them and political leaders. He ignored the importance of ideological conflict in the debate over the Bureau and paid too little attention to the role of public opinion and strictly political considerations. Kolko's thesis offers little of value to an understanding of this episode in Progressivism.
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I. Gabriel Kolko and the Triumph of Conservatism

"Primitive man" was a maker-of-myths. Indeed, myths may represent man's earliest attempts to comprehend the nature of his experience as an historical being. The growth of historical consciousness gradually undermined man's confidence in strictly mythical explanations and whetted his appetite for accurate knowledge of the past. It did not rid him, however, of his need for myths or his talent for weaving his experience into mythological patterns. Historians themselves have not been entirely innocent of this tendency, for historians are myth-makers as well as myth-breakers. The pace at which understanding grows is generally slow. Historical myths are peculiarly tenacious, and only reluctantly do they give way under the presence of painstaking research and thoughtful reconsideration. Among historians there are few dramatic reversals of judgment concerning any period or event of the past.

Gabriel Kolko's studies of Progressivism mark just such a break with the consensus of historical thought. As an early review of The Triumph of Conservatism noted "There is a tide in the affairs of historians which taken in reverse of the flood, leads on to major reinterpretations. Kolko has set his face against the prevalent benign judgments of the role of businessmen in American history to make an original and compelling assessment of the Progressive era."¹ "If this book is taken as seriously as it should be..." remarks another, "a new school of American historiography will emerge..."² Contemporary American historians have been particularly fond of exploding popular myths, especially those perpetuated by their professional
colleagues. Few, however, have devoted themselves to the task with Kolko's obvious relish and vengeance, and few have been as successful in shattering the assumptions, conclusions, and myths of generations of historians and political theorists.

Kolko's thesis, that the period from 1900 to 1916 was marked by the triumph of conservatism rather than reform, is a great departure from current interpretations of Progressivism. Nevertheless, other historians have anticipated much of what he has to say. The traditional view that Progressivism was an uncompromising and largely successful attack on big business by other sections of society has long been in eclipse. The cooperation between government and business during the 1920's and the Great Depression convinced many liberals not only of the failure of Progressivism but also of its inherent conservative bias. New Dealers often criticized the earlier movement in terms historians would later adopt. Thurman Arnold, for example, thought that Progressive anti-trust efforts always ended with "a ceremony of atonement, but few practical results... The reason for this was that the reformers themselves were caught in the same creeds which supported the institutions they were trying to reform. Obsessed with a moral attitude toward society, they thought in Utopias. Philosophy was for them more important than opportunism and so they achieved in the end philosophy rather than opportunity."³

By the 1950's, historians also were stressing the conservative aspects of the Progressive movement. The most influential work of this period, Richard Hofstadter's The Age of Reform: From Bryan to F. D. R., maintained that the actual onslaught against big business
was not nearly as radical as political rhetoric might suggest.

Hofstadter described the typical Progressive leader as a spiritual son of the Mugwumps. Hofstadter described the typical Progressive leader as a spiritual son of the Mugwumps. Theodore Roosevelt, he believed, saw himself as "a conservative wiser than the conservatives." It became his obsession "to 'save' the masters of capital from their own stupid obstinacy..."

"It is impossible not to conclude," he said, "that, despite the widespread public agitation over (the trust question), the men who took a conservative view of the needs of the hour never lost control." Other historians concurred in this judgment. George E. Mowry's profile of Progressive leaders was just as conservative as Hofstadter's. His typical Progressive, for all his reform activities, believed in the leadership of the elite, was bothered by the "radicalism" of the lower ranks, particularly labor, and had no quarrel with the basic arrangement of society. John Blum's biographical studies of Theodore Roosevelt presented essentially the same picture. Blum's Roosevelt was an institutionalist, a gradualist, a moralist, in sum a conservative.

In the early 1960's, historians began to question traditional notions concerning the relationship between business and politics in the Progressive era. Robert Wiebe pointed out that representatives of industry and finance sponsored much of the Progressive legislation. Although they weren't "progressive" about providing the underprivileged with a larger share of the national wealth or about making government more responsive to the people, businessmen were "progressive" about the need for governmental regulation of the economy. Wiebe concluded that at least until 1912 businessmen were "the backbone" of the Progressive movement.
Slowly, then, historical understanding of the Progressive period changed. Despite the modifications, however, historians continued to define Progressivism as a reform movement directed chiefly against corporate power. For Hofstadter, it was part of a much larger liberal tradition of reform, a middle-class effort "to realize familiar and traditional ideals under novel circumstances." Progressivism significantly altered the political tone of the nation by heightening the level of human sympathy. Though they failed to halt business consolidation, they did manage to take the first steps toward genuine regulation of the railroads, to establish a more satisfactory system of credit subject to public control, and to bring about a downward revision of tariff duties. All in all, "they won legislative reforms of real value to farmers and workers and the consuming public that would have been far more difficult to achieve in a social atmosphere unaffected by the widespread demand to challenge the power of big business..." Even Wiebe saw Progressivism as a success and his businessmen as genuine reformers. Insofar as a man contributed to the solution of existing problems, he insisted, "he was a progressive."

Kolko's repudiation of these conventional interpretations is complete, as the title of his book *The Triumph of Conservatism* indicates. Using evidence similar to Wiebe's, he arrives at a startlingly different conclusion. Progressivism, he finds, was not at all a reform movement aimed against big business, but rather "a movement for the political rationalization of business and industrial conditions, a movement that operated on the assumption that the general welfare of the community could be best served by satisfying the concrete needs
of business."^{12} So-called Progressive legislation was determined, and in a number of important cases actually initiated by, major industries and financial interests. Federal intervention in the economy was undertaken frequently in response to particular businessmen's demands. Regulation was invariably controlled by the leaders of the regulated industry and directed towards ends they deemed acceptable or desirable. Business control over politics rather than attempts to democratize the economy via political means was the significant phenomenon of the Progressive era.^{13}

Kolko challenges the myth that the dominant tendency in the American economy at the beginning of the twentieth century was toward growing concentration. It was the trend toward increasing competition, he argues, which caused influential business leaders to turn to political channels for solutions to the problem of vicious internecine competition which caused erratic fluctuations in the economy. Prior to 1900, many large companies had attempted to eliminate competition through pools, price agreements, and mergers. These efforts failed because the companies involved lacked the power necessary for control of the market. Entry into the field was still relatively easy, especially if the new firm was more technologically innovative than the conservative, inefficient, larger concerns. Unable to prevent competition, big business then turned to the federal government for aid. Its aim was the elimination of internecine competition in order to secure economic stability. "Internal problems that could be solved only by political means were the common denominator in those industries whose leaders advocated greater federal regulation."^{14}
A secondary aim of business was the achievement of security in the political arena. According to Kolko, political attacks on industry are latent in any formally democratic political structure. In particular, businessmen of this era were threatened by the radicalism of progressive efforts on the state level. They recognized that the stability of the economy depended in part on their ability to operate in a predictable and secure political environment. Their willingness to accept federal regulation, which they expected to be essentially more conservative, was a consequence of their fear of state intervention. "National progressivism, then, became the defense of business against the democratic ferment that was nascent in the states."15

Business was able to achieve its aims through the cooperation of national political leaders because of their belief in the basic justice of private property relations as they existed. In addition, they shared with business leaders common backgrounds and ties of loyalty. The Progressive economic program was shaped by the consensus of assumptions of political and industrial leaders as to the desirable distribution of power and the type of social relations they wished to create. It took the form first of a series of informal detentes between business and government and later of regulation through administrative commissions in sympathy with the desires of big business. Politics and the state became "accessible tools" because the major political parties and leaders were themselves conservative.16

The end result of this alliance of government and business was the creation of a form of "political capitalism," by means of which economic interests obtained conditions of stability, predictability,
and security through the utilization of political outlets. This was a conservative triumph in the sense that political as well as business leaders made an effort to preserve the basic social and economic relations essential to a capitalist society, an effort that was consciously as well as functionally conservative. Kolko summarizes his thesis as to the motivations and results of Progressivism in his study of railroads and regulation:

National regulation of the railroads, from 1887 until 1916, was an attempt to create a political capitalism for the sake of the railroads, and the railroads supported it for precisely this reason. Indeed, they were the most crucial factor behind the federal regulation of the railroads. And although it was necessary to pay lip service in political rhetoric to the desire to enhance and protect the general public welfare, at least Roosevelt explicitly made it clear that the public welfare would be served by the government concerning itself first with the welfare of the honest railroads. As in all other areas of the economy, the public welfare could be served by the automatic workings of the economy. In this respect, the value system and distribution theory of laissez-faire were accepted by Roosevelt, Taft, and Wilson, but important exceptions were made that allowed the mechanics of the economic machinery to be tampered with in such a way as to prevent its negative consequences to special industries—the railroads in this case—while preserving the existing social and economic relationships inherent in a capitalist economy.

Such was the triumph of conservatism.

Kolko's thesis has implications of much broader consequence than his redefinition of Progressivism. He is primarily interested in the larger question of the extent to which industrialism imposes limits on the economic and political organization of society. "This book is motivated," he says, "by a concern with the seemingly nonacademic
question of 'what might have been.'...Could the American political experience in the twentieth century, and the nature of our economic institutions, have been radically different?" Although his ultimate answer is a reluctant "No," Kolko's insights along the way are significant. There was nothing predetermined about the form industrialism took in this country, he insists. The historical process does not operate by "impersonal, mechanistic necessity." Abstractly there were a number of alternatives available to political leaders from 1900 to 1916. The power of the state could have been used to redistribute wealth radically or even expropriate it totally. The federal government could have organized industry in a fashion that permitted democratic participation in economic decision-making. Technological efficiency might have been reduced in order to make workers' control possible.

There was nothing inevitable about centralization in government or industry, nor about the synthesis of business and politics into "political capitalism." As Kolko says:

The rationalized, dominated, and essentially totalitarian decision-making process is not a consequence of forces inherent in industrialism, but in political capitalism in all its components. The organization of industry is based on the decisions of men whose motives have nothing whatsoever to do with inexorable destiny.20

Political capitalism itself resulted from "the conscious needs and decisions of specific men and institutions."21 The major political parties and their leaders chose to heed the suggestions of representatives of business and finance because they "were also conservative in the sense that they believed in the basic value of capitalist social relations—of some variation of the status quo."22
Though theoretically the outcome might have been different, Kolko is forced to conclude that in actuality none other was possible. "There can be no alternative so long as none are seriously proposed," he states. "It would have required, in short, a set of operating premises radically different than any that were formulated in the Progressive Era or later. ...In brief, the Progressive Era was characterized by a paucity of alternatives to the status quo, a vacuum that permitted political capitalism to direct the growth of industrialism in America, to shape its politics, to determine the ground rules for American civilization in the twentieth century, and to set the stage for what was to follow." 23 Well-intentioned reformers and academicians of the time and historians of succeeding generations, Kolko charges, have been blinded to the truth of business' political dominance because of their "fetish" about government regulation. Assuming that the power of the state was neutral and socially beneficient, liberals actually helped to achieve the goals of businessmen. Progressivism on the national level, far from vindicating the American tradition of reform, is an example of "the betrayal of liberalism." 24

Kolko obviously challenges current historiography on several levels. His thesis is cogent and compelling, his censure of liberalism disturbing. His refusal to think in terms of "historical inevitability" should cause other historians to reflect on their own assumptions concerning the nature of the historical process. Nevertheless, a number of questions can be raised about the legitimacy of his approach. To a large extent Kolko's thesis differs from usual interpretations because of his radically different conception of what Progressivism ought to
have accomplished. Because he doubts the value of existing social and economic relationships, he is intensely critical of contrary standards of judgment. Clearly he believes that society should have been radically changed, and any "reform" movement whose goals halt short of extensive alteration is suspect in his opinion. Consequently a vein of polemic underlies Kolko's writing. If other values are applied to Progressivism, different conclusions are quite justified. It is also fair to suggest that it is equally as valid, historically, to measure the success of Progressives' efforts in terms of what they wanted to accomplish.

One may also question whether Kolko's definitions of "conservative" and "liberal" are the most fruitful ones possible for the historian. For him anyone who wishes to preserve the basic social and economic arrangements of existing society is a conservative. By this standard, almost all Progressives, indeed American reformers in general, are certainly conservative. But how, then, should the historian characterize McKinley or Harding? If conservatism triumphed during the Progressive era, what can be said about the period from 1865 to 1900? Surely it was "more conservative" than the Progressive period. Kolko's definitions tend to distort the subtlety and range of political opinion, the recognition of which is essential to the understanding of American politics. If such definitions are to be useful historical tools, they must be framed in a manner which will allow distinctions in political outlook and approach to become apparent.

One can also disagree with Kolko about the extent to which business was able to achieve its goals during the Progressive era. As Kolko explains it, the main aim of businessmen was the elimination of
internecine competition and erratic fluctuations in the economy. No doubt advances were made, but the second great period of mergers from 1925-1929 and the collapse of the economy in 1929 suggest that it had proved impossible to accomplish these goals politically. In addition, several pieces of Progressive legislation, notably the Clayton Anti-Trust Act and the Underwood-Simmons Tariff during the Wilson administration, indicate that there was at least a countervailing tendency within the federal government to bolster rather than to eliminate competition. The progressive income tax, although it failed to redistribute wealth radically, hardly seems consistent in intention with the desire to preserve existing social and economic relationships intact.

How complete, then, was the dominance of business in politics? If it did not always secure the passage of legislation, was it generally able to sidetrack more harmful measures? To what extent can the relatively conservative political decisions of the period be attributed to a consensus of values among key government and business personnel? Were purely political considerations or the impact of public opinion actually more important than business in determining the final nature of legislation? Kolko gives little attention to these factors, but the historian must weigh their significance in any assessment of the era.

Despite these objections, no historian can ignore the weight of Kolko's evidence concerning the role of business in political life. Every phase of the Progressive movement warrants reconsideration in the light of his conclusions. The purpose of this essay is to subject Kolko's thesis to historical test. It concentrates on the establishment of the Bureau of Corporations, the only administrative antitrust measure
of any consequence during Theodore Roosevelt's first term in office. The following chapters discuss the character of the bill which created the Bureau, the alternatives proposed to it, and the considerations which led to its passage. They attempt to determine the role of business in initiating and shaping the final legislation and its influence on the later activity of the Bureau. They seek to understand the nature of political leadership in this instance, the attitude of the opposition, and the importance of political exigencies in determining Presidential and Congressional activity. Particular attention is paid to the objections and questions which have already been raised to Kolko's general arguments. Has Kolko dispelled the myths of orthodox interpretations of Progressivism, or has he only generated a new mythology to replace the old?
II. Publicity and Its Uses

The idea for a bureau of publicity on corporate affairs was not new in 1903, nor was it particularly controversial among politicians or businessmen. Perhaps the first mention of an agency similar to the Bureau of Corporations was the recommendation of Judson Harmon, Cleveland's Attorney General, that a separate department or bureau be established to obtain evidence to aid the Department of Justice in enforcing the Sherman Antitrust Act. In 1900 the U. S. Industrial Commission, appointed by Congress to make a thorough investigation of economic conditions, included in its report a proposal for the creation of such a bureau. The bureau would register all interstate and foreign corporations, secure the information needed to enable the government to levy a franchise tax, inspect business and financial accounts for violations of the law, and publish reports "so as to furnish to Congress proper information for possible future legislation." The report stated that "the publicity secured by the governmental agency should be such as will prevent the deception of the public through secrecy in organization and management of industrial combinations or through false information." In the last decade before the turn of the century, several state investigating committees urged the establishment of bureaus on the state level, their main intention being to publicize corporation records for the protection of innocent stockholders. As Governor of New York Theodore Roosevelt recommended that steps in that direction be taken by the New York legislature.

Business was quite agreeable to this sort of legislation. In 1898, before the U. S. Industrial Commission, John D. Rockefeller,
John D. Archbold, and H. H. Rogers of Standard Oil had coupled their approval of a national incorporation law with a call for federal regulation of accounts and financial publicity. Elbert H. Gary had also favored full publicity in financial affairs. George Perkins had read and approved Roosevelt's annual message, including its recommendation of publicity. Perkins was to be of particular help to Roosevelt in securing the passage of the amendment which established the Bureau of Corporations. "Your interest in the legislation was strongly indicated at different times during the year or more of active discussion...," Roosevelt wrote Perkins. The magnates hoped to see federal control over the outlaw practices of smaller companies which threatened the stability of their industries. They also endorsed Roosevelt's program for supervision of corporations as "a strong safeguard...to the prevention of violent attacks on private rights in general that might otherwise come."

Although the major business interests did not oppose publicity, they played no special role in initiating it. The demand for publicity was a popular and a general one. Both Democratic and Republican figures were for some type of publicity. Labor organizations and the American Anti-trust League appeared before the House Committee on Interstate and Foreign Commerce Committee in support of a bureau. The National Association of Manufacturers also backed publicity.

Nevertheless, there was much confusion over what "publicity" implied, what its goals should be, to what extent various proposals concerning it actually provided for regulation of business. It might mean periodic investigation and information gathering. It might be used as an adjunct
to the Department of Justice, to aid in its prosecutions of violators of the Sherman Act. Or it could be directed at exposing systematically and punishing overcapitalization and dishonest business practices. It might require regular reports from corporations or reports only when requested at an agency's discretion. "Publicity" became a convenient catch-all, a cry to rally support for any measure aimed, at least ostensibly, against big business.

These varying approaches to publicity found expression in Congress. The most limited of the many proposals before Congress in 1903 was the original provision for a bureau of publicity in the House version of the Department of Commerce and Labor bill. That bill, when it passed the Senate in January, 1902, contained no mention of publicity. The House version of the bill emerged from the Committee on Interstate and Foreign Commerce in January, 1903. The committee had been besieged with requests from labor organizations, antitrust leagues, and individual Congressmen that provision be made for a publicity agency. It was in response to this pressure that the committee attached to the bill an amendment concerning publicity.

Representatives J. R. Mann of Illinois, author of the committee report, explained that the committee had rejected the many suggestions it had received that the collection of information be made a duty of the I. C. C. "The I. C. C.," the report read, "is a semiexecutive and semijudicial commission. It is engaged solely with transportation companies and with shipping interests. To place under its control the collection of all information in regard to corporations transacting interstate commerce would be to divert it from its present very onerous
duties, which are sufficient to take up all of the time of the commis-
sions, and it would be to place a purely executive duty upon a commis-
sion principally engaged in semijudicial authority."6

The bill, instead, provided for a Bureau of Corporations whose
province and duty would be to gather, compile, and supply information
on corporate affairs. Mann stated the purpose of the Bureau in these
words:

The creation of this bureau will make it the
duty of an officer of the Government to deal
with the matter of corporate information, and
to acquire knowledge and report recommendations
concerning the manner and extent to which
corporations' transactions in interstate com-
merce shall be subjected to the influence of
national legislation. Your committee believes
that this is a practical step toward the legi-
timate control of corporations engaging in
commerce among the States.7

In fact this proposal was probably the most innocuous one possible on
the subject of "publicity." It made no provision concerning the character
of the information to be gathered or the manner in which it was to be
obtained or used, the committee preferring to leave these matters to
"further legislation." The publicity value of the Bureau would be
almost non-existent, since the amendment made no mention of making the
results of investigation public. The amendment was quite consistent
with the nature of the whole Department of Commerce and Labor bill,
which was more than anything else an administrative reorganization of
government. The Bureau's work, like that of most of the other sections
of the Department, was limited to the gathering of data. As Mann said,
"It will be a department of information."8
Much more substantial were the proposals for giving the Interstate Commerce Commission the authority to collect and publish information and to punish violators. This approach was favored initially by labor, the National Association of Manufacturers, and anti-monopoly groups—in short, by all those who viewed publicity as an antitrust device. The most important piece of legislation along these lines was House Bill 17, sponsored by Charles Littlefield, Republican from Maine. Since this bill became entangled in the debate over the Bureau of Corporations, it is important to understand its nature and intent.

Littlefield's bill represented the ideas of the N. A. M. in regard to publicity. Indeed, Littlefield identified himself with the efforts of the N. A. M. The primary interest of the N. A. M. in these years was foreign trade, and it was very active in lobbying for the Department of Commerce and Labor bill, whose main concern was the expansion of American markets overseas. But it also favored the creation of a bureau of corporations. The N. A. M. hoped that the Bureau would serve middle-sized business as it checked the trusts. Small businessmen from the Midwest and South, members of the N. A. M., were particularly enthusiastic about the Bureau, which they expected "to destroy their larger competitors everywhere, and they cheered every move from Washington which looked like trust-busting."9

Littlefield himself had acquired a reputation as a trust-buster, and he had long been an advocate of publicity in the affairs of corporations. His bill was designed to attack two problems of economic abuse: discrimination in railroad rates and overcapitalization. The publicity feature of the bill was aimed specifically at the latter.10 The bill
required that all corporations thereafter organized should file annual returns with the Interstate Commerce Commission, disclosing their true financial condition and the amount of their capital stock, and imposed penalties upon those who failed to comply. The I. C. C. was given full authority to inquire into the management of corporations organized in the future, to compel attendance and testimony at hearings and the production of information upon request. The reports were to be made public when filed. In addition, the I. C. C., if it chose, could require reports from corporations already organized and engaging in interstate and foreign commerce. The major sections of the bill dealt with the problem of discrimination among the railroads. It made railroad rebates and other discriminatory practices illegal and barred from interstate commerce any corporation which used discriminatory rates or sought to destroy competition.\textsuperscript{11}

Kolko suggests that the Littlefield approach to publicity was "radical" and that the death of the bill in the Senate is another example of the triumph of conservatism.\textsuperscript{12} In fact this bill fell far short of being radical in its publicity clauses, and even those who finally voted for it were critical of it. Littlefield's bill had been watered down substantially in the Judiciary Committee. Originally all corporations, whether then or thereafter organized, were required to file annual reports with the I. C. C. The substitute bill which emerged from the Committee limited this requirement to those which might organize in the future. As critics pointed out, this omission placed existing corporations in an advantageous position and tended to operate to prevent, rather than to encourage, new entries into a market. Present trusts
would not be exposed to constant publicity, since they need file reports only upon specific request. Kolko's magnates might well have backed this bill if their aim was the elimination of competition, but there is no indication that they did so.

Littlefield defended the bill as it stood before the House, saying that reports from existing corporations would prove too burdensome for the I. C. C., and he voted against amendments which would have placed existing corporations on the same footing as future ones. He also opposed all attempts to tax corporations with capital stock over certain values or to include penalties for overcapitalization, especially restriction from interstate commerce:

I do not believe that if this Congress had the power, it ought to prohibit every corporation that is overcapitalized from engaging in interstate commerce. I believe that would produce profound depression and a panic, shock the business interests of the country, ruin innocent investors, because it must be remembered that the innocent stockholders of these corporations aggregate millions. Now this bill proposes by publicity to place this situation where, by the operation of natural laws, it may work itself out. That is the object of the bill.

Littlefield, then, was no radical, although his bill did go farther than that proposed by the House Commerce Committee. His gestures toward breaking monopoly were quite moderate, even by the standards of his colleagues in the House. His attitude toward publicity was essentially a laissez-faire one: public opinion in itself would prevent mismanagement.

By far the most radical proposal in regard to publicity was that of Representative William Sulzer, Democrat from New York. Sulzer
offered it as a substitute amendment for the publicity clauses of the Department of Commerce and Labor bill. The Sulzer amendment represented the approach of the Democratic Party to the problem of publicity.

It, too, called for the creation of a bureau of corporations "to inspect and examine all corporations...by gathering, compiling, publishing and supplying all available and useful information concerning such corporations, including the manner in which their business is conducted..."

But it also required every corporation engaging in interstate or foreign commerce to file annual reports with the Bureau. Sulzer was very specific about what the reports would cover. Each would include the following information: capital authorized and issued, amount of debts and security given, obligations due from officers, a statement of assets and method of valuation, gross earnings for the period covered by the report, increase of assets since the last report, the names and addresses of stockholders, the amount of stock disposed of and details of the results of stock transactions, the names of all officers, and a statement of the proportion of goods going into interstate commerce. In addition every report was to contain a statement showing that the corporation had not received any rebates, drawbacks, special rates or discriminations, advantages or preferences, had not fixed prices or been "a party to any contract, combination, or conspiracy in the form of trust or otherwise in restraint of trade or commerce..." The auditor of the Bureau might also require supplemental reports whenever he felt the first report in any way insufficient, evasive, or ambiguous. All reports were to be made public annually by the auditor, and every corporation was to publish its own reports in a daily newspaper. The
amendment provided for stringent penalties for both corporations and directors which failed to comply.

The Bureau was also to be furnished with a staff of examiners for the purpose of making further investigations into the affairs of corporations. Such investigations were not to be made at fixed periods but rather at the auditor's discretion and without notice. The examiners had the same power to compel testimony, books, documents, and cooperation as the I. C. C. All examination had to cover the following questions:

(a) Has the said corporation received any rebates, drawbacks, special rates, discriminations, advantages, or preferences?
(b) Is the said corporation a member of any combination having or intending to secure a monopoly of any commodity? Has it any such monopoly, or does it use methods tending to secure such monopoly?
(c) Is such a corporation a party to any contract, agreement, or combination in restraint of trade?
(d) Has the corporation purchased or does it hold the stock of any corporation for the purpose of controlling its management?15

Sulzer's amendment was designed to cover every phase of corporate management and activity. It spelled out in great detail the aspects of business to be covered and left no doubt that the Bureau's primary task was not collection of information but the prevention of discrimination, interlocking directorships, stock frauds, and monopoly. The reports of inquisitorial investigations would be used in court against violators. Furthermore, the amendment required publicity in corporate
affairs, with the clear intention of using it as a weapon against trusts. As Sulzer said, "This brings before the House, as clearly and as positively as any proposition can, the question of whether the members of this House are in favor of publicity regarding the trusts or not." In fact, this proposal received scarcely any attention in the House. After only perfunctory debate, it was defeated by a strictly partisan vote of 75-90. The importance of the Sulzer amendment lies in the fact that it stated clearly the position of the Democratic Party on the publicity issue.

The opinion of the Republican Party in regard to publicity was more divided. One approach was suggested in the extremely weak publicity section of the Department of Commerce and Labor bill, drafted by the Republican majority on the House Commerce Committee. A much stronger position was offered by the Littlefield bill, which represented the thought of the most liberal wing of the party. The approach toward publicity which finally became law was the middle-of-the-road alternative embraced by President Roosevelt. It was he who formulated the policy behind the Nelson amendment, which created the Bureau of Corporations, and who forced its adoption in the House.

Roosevelt's interest in publicity as a solution to the trust problem had begun during his years as Governor of New York. He found publicity a fascinating idea because of its harmony with the current insistence on information gathering and expertise, concepts which he shared with the new generation of business managers and social workers. His interest in publicity followed him into the Presidency and became a major part of his economic program.
In December, 1901, in his first annual message to Congress, Roosevelt outlined the major themes of his policy on publicity. This is indeed a time of great prosperity and conditions have favored the growth of much that is good, he stressed. Nevertheless, "they have also favored somewhat the growth of what is evil. It is eminently necessary that we should endeavor to cut out this evil, but let us keep a due sense of proportion..." Urging caution in framing an approach to economic problems, Roosevelt offered his central proposal:

The first essential in determining how to deal with the great industrial combinations is knowledge of the facts—publicity. In the interest of the public, the government should have the right to inspect and examine the workings of the great corporations engaged in interstate business. Publicity is the only sure remedy we can now invoke. What further remedies are needed in the way of governmental regulation, or taxation, can only be determined after publicity has been obtained, by process of law, and in the course of administration. The first requisite is knowledge, full and complete—knowledge which may be made public to the world.17

In the summer of 1902, Roosevelt stressed the same themes in a series of speeches throughout the East. His address at Providence, Rhode Island, on August 23, is typical of his thought throughout this period: "There are real and great evils in our society and economic life, and these evils stand out in all their ugly boldness in time of prosperity; for the wicked who prosper are never a pleasant sight." We must strive, he said, by all means possible to prevent the misuse of wealth. "All I ask," he continued, "is to be sure that we do not use the knife with ignorant zeal which would make it more dangerous to the patient than the disease." "Of course a great fortune if used
wrongly is a menace to the community... But the great captain of industry, the man of wealth, who alone, or in combination with his fellows, drives through our great business enterprises, is a factor without which the civilization that we see roundabout us here could not have been built up. Good, not harm, normally comes from the upbuilding of such wealth. Probably the greatest harm done by vast wealth is the harm that we of moderate means do ourselves when we let the vices of envy and hatred deep into our own natures."^18

Nevertheless, Roosevelt upheld the necessity of granting the federal government the power to supervise corporate activity. Even given the authority, though, governmental power had to be exercised with wisdom and self-restraint, for the mechanism of modern business "is as delicate and complicated as it is vast, and nothing would be more productive of evil to all of us...than ignorant meddling with this mechanism—above all, meddling in a spirit of class legislation or hatred or rancor."^19 The first exercise of federal power should be the securing of publicity among all great corporations engaged in interstate commerce, he believed. Though the publicity would be non-inquisitorial, it should be "real and thorough." In itself, publicity would prevent corporate mismanagement. "Daylight is a powerful discourager of evil. Such publicity should by itself tend to cure the evils of which there is just complaint; it would show us what next ought to be done."^20

Throughout 1901, 1902, and the early months of 1903, Roosevelt engaged in a publicity campaign himself, to whip up support for his favorite program. He was aided in this campaign by his Attorney General
Philander Knox who represented his chief's views across the nation and to Congress. A holdover from McKinley's cabinet and formerly attorney for Andrew Carnegie, Knox exercised, along with Elihu Root, the lawyer of Thomas Fortune Ryan, a great influence over the formation of Roosevelt's trust policies. In a widely quoted speech before the Pittsburgh Chamber of Commerce on October 14, 1902, Knox endorsed publicity in corporate affairs and "visitorial supervision" over them:

They (corporations) should be subject to visitorial supervision, and full and accurate information as to their operations should be made public regularly at reasonable intervals. Secrecy in the conduct and results of operations is unfair to the non-managing stockholders, and should, as well as for reasons of state, be prohibited by law.21

In a written reply to a communication from the Senate Committee on the Judiciary, he told Senator Hoar that "A comprehensive plan should be framed to enable the Government to get at all the facts bearing upon the organization and practices of concerns engaged in interstate and foreign commerce essential to a full understanding thereof..." In particular, he advocated the creation of a commission whose duty would be "to make diligent investigation into the operations and conduct of all corporations, combinations, and concerns engaged in interstate or foreign commerce, and to gather such information and data as would enable it to make specific recommendations for additional legislation for the regulation of commerce, and annually, and oftener, if it shall be deemed needful, to make report thereon to the President."22 Knox also believed that this commission should aid in carrying out the provisions of the Sherman Act. At great length he testified to the diffi-
culties the Attorney General faced in prosecuting the law's violators because of inadequate knowledge. In addition to proposing new legislation, the commission would investigate possible violators and, Knox seems to imply, make its findings available to the Department of Justice for legal action.

Thus the creation of some sort of agency for publicity purposes became one of the central aims of the Roosevelt administration. Roosevelt and Knox had nothing revolutionary in mind in proposing the use of publicity. For both of them the chief value of a publicity commission lay in its information gathering function. It would be a purely administrative body rather than a semi-judicial agency such as the Interstate Commerce Commission. Although Knox thought it should have full powers to obtain information and to compel testimony and reports, neither Knox or Roosevelt desired a law which would prescribe far-reaching penalties for failure to comply or for the mismanagements and frauds which the commission might uncover. Roosevelt, like Littlefield, believed that public exposure of abuses was a sufficient cure, and furthermore, as future events would reveal, he did not fully approve of Knox's suggestion that one of the purposes of the commission should be to assist in the prosecution of violators of existing anti-trust laws. Though Roosevelt rhetorically linked publicity with anti-trust efforts, in reality, his plan offered no immediate promise—or threat—of action on the problem of monopoly or of economic abuses.

Although Roosevelt was determined to secure some sort of legislation on publicity, he remained indecisive about the specific details. For some time, Littlefield apparently felt that his bill had the
President's approval. A large portion of the press shared his belief. In many ways the Littlefield bill was based on the suggestions that Knox had made in his letter to Hoar of the Senate Judiciary Committee. Knox had recommended that all discriminatory railroad practices be punished and that penalties be imposed on the guilty carriers and the beneficiaries of discrimination alike. He had also called for investigation and publicity of corporate malpractices. Littlefield, however, chose to put his influence behind three other measures: a bill to expedite the handling of cases originating under the Sherman and Interstate Commerce Acts, the Elkins Anti-Rebate bill, and the Nelson amendment to the Department of Commerce and Labor Act. All of these measures were considerably more moderate than Littlefield's. The Elkins bill, which prohibited rebates and assessed fines, did not exclude violators from interstate commerce. The Nelson amendment, which provided for the establishment of the Bureau of Corporations, made no provision for filing or publicizing annual reports.

Before Littlefield's bill came to the floor of the House, Roosevelt began to work behind the scenes for the enactment of his own publicity proposal. Dissatisfied with the provisions for publicity included in the Department of Commerce and Labor bill, he decided to replace them with his own. The bill had been referred to a conference committee to reconcile differences between the House and Senate versions. Roosevelt called in Senator Knute Nelson, a member of that committee, and proposed to him a substitute for the publicity section, prepared by Knox. Nelson did not particularly like the changes, but he agreed to submit it to the conferees, who were Senators Hanna, Nelson, and Clay and
Representatives Mann, Hepburn, and Richardson. This substitute, known as "the Nelson amendment," was adopted and, passing both House and Senate, became law.

The Nelson amendment embodied Roosevelt's approach to publicity and had little in common with either Littlefield's bill or the Commerce Committee's proposal, both of which had already passed the House. It retained the Bureau of Corporations, which was given power and authority "to make...diligent investigation into the organization, conduct, and management of the business of any corporations, joint stock company, or corporate combination engaged in commerce among the several States and with foreign nations, excepting common carriers." In addition, it was to gather the information and data necessary to enable the President of the United States to make recommendations to Congress for legislation for the regulation of commerce. The President was granted discretionary power as to what part of the Bureau's reports to make public. In order to accomplish these purposes, the Bureau's commissioner was to have the same powers to subpoena, to compel attendance and testimony of witnesses, and to require production of evidence as those conferred upon the commissioners of the Interstate Commerce Commission.

The amendment added two significant features to the publicity section of the earlier bill. It granted the Bureau substantial powers for investigation and procurement of evidence, and more significantly, it made publicity a weapon which the President might use against corporate mismanagement. Otherwise, the Nelson amendment encompassed all of the ideas which Roosevelt had espoused all along in regard to publicity. Its main object remained the collection of information which would allow
full knowledge of the facts. Illegal activity might be exposed to daylight, but the President's discretionary power guaranteed that this regulation would be applied with the caution Roosevelt believed essential. This amendment went farther than Mann's, but it was still quite moderate. As Roosevelt said in his message to Congress in December, 1903:

In enacting the laws above enumerated (the establishment of the Bureau and the expediting bill), the Congress proceeded on sane and conservative lines. Nothing revolutionary was attempted... The legislation was moderate. It was characterized throughout by the idea that we were endeavoring to provide for doing away with evil in the corporations and not attacking them; that we drew the line against misconduct, not against wealth; gladly recognizing the great good done by the capitalist who alone, or in conjunction with his fellows, does his work along proper and legitimate lines.27

The Nelson amendment represented a moderate approach toward publicity. To be sure, it went farther than the original proposal of the Department of Commerce and Labor bill; but it fell short of Littlefield's bill and was quite conservative in comparison with Democratic proposals. Sulzer's amendment was certainly more comprehensive, and radical, than either Littlefield's or Roosevelt's. Littlefield himself voted against Sulzer's amendment. "It is," he said, "a tale told by an idiot, full of sound and fury, signifying nothing." Many of its propositions demonstrate that it is "the most utterly preposterous and hysterical piece of legislation ever suggested in this or any other body."28 In comparison with the Nelson amendment, however, Littlefield's bill was too drastic for Roosevelt and the Senate. Despite its drawbacks,
it did make explicit provision for persistent publicity and prescribed penalties against corporations which did not file reports. Although he had given the bill tentative approval, Roosevelt was ready to label it "idiotic" by the beginning of February, 1903. Roosevelt favored a tentative, cautious approach to the trust problem. He maneuvered through Congress a publicity bill consistent with his basic conservatism.
III. Roosevelt and Congress: The Business of Politics

In January, 1903, President Roosevelt, freed from four tense months of concern over the Anthracite Coal Strike, turned his attention to Congress. The second session of Congress was drawing to a close, and legislation which he regarded as crucial was languishing in the House. Senate Bill 569, Nelson's bill to establish the Department of Commerce and Labor, had passed the upper house in January, 1902. A year later it had not yet emerged from the House Committee on Interstate and Foreign Commerce. The publicity section to the bill which that committee would recommend was decidedly weak, and leaders of the Senate were already threatening to kill Littlefield's bill, which Roosevelt might have accepted as an alternative. The President, whose overriding concern was reelection, faced going into an election year having failed to secure Congressional approval of any of his major proposals. The administration, therefore, directed its efforts toward the passage of the Department of Commerce and Labor bill, the Nelson amendment pertaining to the Bureau of Corporations, and both the Elkins and Littlefield bills on the rebate question.¹

A month later Roosevelt had achieved all of his aims with the exception of the railroad regulation, and he had done it with a flair all his own. On February 6, the day the Littlefield bill passed the House, he called a news conference and made public the contents of telegrams he claimed John D. Rockefeller, Sr., had sent to several Senators opposing all of the administration's antitrust legislation, including the Nelson amendment. This revelation created a sensation.
The next day telegrams began to pour in on members of the House and Senate. The conferees on the Department of Commerce and Labor bill agreed to the Nelson substitute amendment, and both the House and Senate adopted the conference report. The House passed the bill on February 10, with only ten dissenting votes. On February 11, the Senate passed it unanimously, without debate or roll call vote. President Roosevelt signed the bill into law February 14, thus creating the Bureau of Corporations.  

The history of the establishment of the Bureau is actually much more complicated and open to interpretation than this brief sketch of events suggests. Roosevelt's actions and motives are particularly subject to question. Why, for example, did he call the news conference and reveal Standard Oil's opposition to publicity and anti-rebate measures if his intention was to ruin any chance Littlefield's bill had of passing, as Kolko suggests? Surely this move would have worked in the favor of passage, if anything could. Why had he grown cold to Littlefield's bill, which he had tentatively accepted earlier? Did Roosevelt force the Nelson amendment on a Congress more conservative than he, a Congress unwilling to make even this small gesture toward reform? Or, on the other hand, did he trick liberals into supporting his own conservative program?

Kolko's answers to these questions are consistent with his view of Progressivism as a whole. According to him, Roosevelt thought the Littlefield bill aimed at destruction of big business rather than at exposure of corporate misbehavior. He believed that "the problems incident to an industrial society could be solved by a higher personal
morality, and nothing was more conducive to personal morality than publicity. Because he preferred publicity to destruction, Roosevelt wished to see the Littlefield resolution defeated.

To get his own legislation passed, the President relied on conservative Republican and business help, according to Kolko. He wrote to George Perkins in December, 1902, requesting that he put pressure on Representative James R. Mann, chairman of the Interstate and Foreign Commerce Committee. Shortly after Perkins assigned his Washington legislative agent, William C. Beer, to the task, Mann's committee released the Department of Commerce and Labor bill. With Perkins' support, Roosevelt then threw all of his weight into the battle for the Nelson amendment. Kolko concludes that "The Bureau of Corporations Bill passed with conservative support and was motivated by conservative intentions. Perkins had actively campaigned for it, and the Department of Commerce aspect of the bill was welcomed by all businessmen."

The major business interests had no apprehensions about how the President would use his new publicity "weapon." "Roosevelt, after all, had destroyed the radical Littlefield proposal..."

Kolko thinks that the passage of the Nelson substitute was inevitable, but that Roosevelt used the story of Rockefeller's telegram to gain liberal support for it. His "conservative opposition" to the Littlefield bill had irritated many members of the House. His grandstand news conference "gave the measure (the Nelson amendment) an aura of radicalism to alienated Congressmen...and it undoubtedly made a few indifferent Congressmen vote for the bill."
Many of Kolko's conclusions are warranted. As we have seen, the Nelson amendment did take a conservative approach to the subject of publicity. The Littlefield bill, while hardly radical, was more far-reaching in its application. Big business certainly mounted no real opposition to Roosevelt's proposal, and the Republican Old Guard, after initial hesitation, voted for it. In other ways, though, Kolko distorts what actually happened by ignoring the extent to which political exigencies, rather than philosophical conservatism, motivated Roosevelt's actions. His decision to take a more conservative position on publicity, the news conference, and his cooperation with conservatives and business leaders can all be explained in terms of the immediate political situation. In this case, at least, Roosevelt's position and intentions must be labeled political, rather than conservative.

Kolko also exaggerates Perkins' role in securing the passage of the Department of Commerce bill and the Nelson amendment. He ignores the substantial Democratic opposition within the House to both the Nelson and Littlefield proposals, as well as the whole idea of publicity as an antitrust device. Dissident Congressmen harbored few illusions about governmental regulation of the economy, for they were well aware of the ways in which federal intervention had been used to aid business. Nor were they fooled by Roosevelt's maneuvers. Operating from an entirely different ideological position than Roosevelt and his party, they resisted the Nelson amendment until they had no alternative other than to accept it.
The history of the establishment of the Bureau of Corporations begins with the Department of Commerce and Labor bill. Business organizations had agitated for a Department of Commerce throughout the 1890's. Foreign trade advocates, including the National Association of Manufacturers, especially favored it. Theodore C. Search, President of the Manufacturing Association of the U. S., expressed the general consensus of opinion concerning the purposes of the new department before the House Interstate and Foreign Commerce Committee:

It should be the function of such a department as is proposed in the impending bill to assist in every feasible way in the extension of the export trade of our manufactures.\(^7\)

Both House and Senate committees shared this view. Senator Nelson's committee report stated that

In view of our great progress and development in mining and manufacturing industries, which now far exceed the ability to supply our own wants, and in view of the urgent necessity of securing more extensive markets abroad, it must be apparent to anyone who gives the subject the least thought that there is an urgent demand for the establishment of a department of public service to have the charge of and to aid in our industrial development, and to secure us better and more extensive markets abroad.\(^8\)

The House committee repeated virtually the same arguments and concluded that "the Government might well give special consideration to the home industries of our country by giving them direct representation in the Cabinet as well as by the creation of some new bureaus devoted to their interests.\(^9\)

There was almost no opposition to this aspect of the Department of Commerce and Labor bill. Despite this, the bill made very slow progress in the House committee. Labor organizations appeared to oppose the
inclusion of the existing Department of Labor in the newly-organized department, and Congressmen besieged the committee with requests for an amendment guaranteeing publicity in corporate affairs. Roosevelt wanted the bill out of committee, and he was ready to make use of any help Perkins might give him. It was his threat of an extra session to consider antitrust legislation more than Perkins' pressure which brought the bill to a vote, however. Early in February, Roosevelt wrote a friend about his actions during this period.

A month ago I had the fight definitely brought to a head as to whether we should have legislation or not, telling the most influential men of the House and Senate that while I could not force anyone to vote for these bills I felt I had a right to demand that there should be a vote upon them and that if we failed to get such a vote before adjournment I should have to call an extra session.10

The bill was reported to the House on January 6, 1903. One of the new bureaus which the House bill recommended was the Bureau of Corporations. This was an addition to Nelson's original bill and apparently was inspired by the President's growing interest in publicity and the demands which the committee had received for something along these lines. There was never any doubt that the House would approve the bill, but the Democratic minority wanted to embarrass the Republican Party as much as possible over some of its provisions. Interestingly enough in light of subsequent fierce clashes over the Nelson amendment, the Democrats paid little attention to the publicity clauses of the bill in the House debate. They concentrated instead on labor's inclusion in the bill. Roosevelt had gained prestige from his part in the recent
settlement of the coal strike, a settlement which had ended in a victory for labor. Democrats were consequently anxious to reaffirm their long record of support for labor's causes.

The Democrats of the Interstate and Foreign Commerce Committee filed their dissenting views along with Representative Mann's majority report. Representative James F. Stewart was alone in opposing the creation of a separate cabinet post for either labor or commerce. His objection was framed along broad political lines. "The alarming feature of the bill," he wrote, "is that it will result, in my judgment, in transferring all the vexed questions of capital and labor which have for years harassed and embarrassed our State governments and municipalities to the area of Federal discussion and agitation."11 The other members of the minority, William Richardson and Robert W. Davis, argued exclusively against the subordination of the interests of labor which they held would result from the bill.

We do not believe that it will promote the interests and welfare of the labor-classes, or the interests of the country, to transfer or include the Department of Labor in the proposed new department of commerce. It must be patent to the most casual reader of the evidence given in the hearings by the committee on this subject that the interest and care of labor in this proposed new department would be subordinate to other interests and we can safely predict that the secretary of the department would not be a representative of either organized or unorganized labor.12

Richardson of Alabama led the fight in the House against the bill. At length he listed the groups which had protested the inclusion of labor--among them the A. F. of L., the Seaman's Union, the Brotherhood
of Locomotive Engineers, the Locomotive Firemen, and the Order of Railway Conductors—and contrasted them to the business interests which alone had appeared in favor of this part of the bill. This contrast, he insisted, revealed the true reason for the transfer of the labor department to the Department of Commerce. "Self-interest is the law of nature," he continued. "Why then chase these shadows and rainbows about, the law not recognizing the natural conflicts between the interests of labor and capital?"

Representative Wooten, Democrat from Texas, was more pointed in his accusations. He claimed that the bill was a deliberate attempt to "deny to the American laborer his just participation and protection in the organization of the Government." "I understand," he said, "that theory of government which is favored on that side of the House, that school of political thought which believes that the commercial interests are the only interests that ought to be considered in the House; but I want to say that I have no sympathy with it." Let us dignify labor, the Democrats cried, by heeding its demands.

Mann of Illinois and Hepburn of Iowa, who had charge of the bill, answered these objections. Mann denied that organized labor still opposed inclusion in the bill, citing the Chicago Federation of Labor, the nation's largest union, which hoped for the success of the bills. A. F. of L. leaders had withdrawn their opposition when they realized that the Commissioner of Labor would remain independent, he claimed. To omit labor would be a serious mistake, Hepburn added, since it is impossible to promote or injure one without promoting or injuring the other. "In the very nature of things, the interests of labor and
capital must be identical." Richardson's motion to strike the words "and Labor" from the bill's title was defeated by a vote of 52 to 103. Wooten had the last word in the debate, though, accusing "the gentlemen on the other side of the House" of trying to impose on the Democrats the responsibility of seeking to exclude labor from the bill.\(^\text{18}\)

The Democrats were successful in getting provisions relating to insurance struck out of the bill. Section 3 had required the new department to foster, promote, and develop the insurance business of the United States, as well as foreign and domestic commerce and the manufacturing, mining, shipping, and domestic fisheries industries. Several Congressmen, including Corbin of Michigan, Palmer of Pennsylvania, and Gardner of New Jersey, charged that insurance companies were trying to escape strict state regulation. De Armond of Missouri alluded to the special influence back of this measure: "I think we may witness the power of organized wealth banded together in the various insurance companies taking possession so far as they please of the machinery of the Government, using it to throw out of gear and to destroy the machinery of the States, perfected to a considerable degree for the control of the insurance interests and business."\(^\text{19}\) His amendment to strike out the insurance provision passed, 70-65.

Such exchanges occupied the House during most of the three days it considered the Department of Commerce and Labor bill. On January 17, Sulzer introduced his amendments to the section of the bill dealing with the Bureau of Corporations; this was the sole mention of publicity made during this time. Sulzer made the only speech in favor of his proposals.
With publicity—like a searchlight, exposing to public view every violation of the law—the trusts and monopolies would hesitate a long time ere they violated the law; and the Attorney General promptly enforced the law against them, violations of law would soon cease entirely. But the Attorney General says substantially in his Pittsburgh speech that he cannot enforce the law against the trusts because he cannot get the evidence of violations of law. Make this amendment a law as part of this bill and the Attorney General will have no difficulty in getting the facts—the evidence—to successfully prosecute every trust that is violating the law.20

The independent press favored publicity, Sulzer said. President Roosevelt was for it, and the Democrats "will vote to a man for this amendment." Sulzer was right, but his amendment went down to defeat, 75-90, by a strictly partisan vote. "All the Republicans voted against this amendment for publicity and all Democrats voted for it," Sulzer commented afterward. "That tells the story and the whole story."21

The Department of Commerce and Labor bill passed the House on January 17 and was referred to a conference committee for reconciliation with the Senate bill. By February 5, when Littlefield's bill came up for consideration in the House, publicity had assumed a central place in the minds of Democrats and Republicans alike. It was common knowledge that Roosevelt had decided to push the Nelson amendment instead of Littlefield's proposal in regard to publicity, probably because of the known opposition to the latter in the Senate. Rumors, which the Democratic opposition made the most of, were circulating in all quarters that Hanna had said that if the Littlefield bill passed the House it would not become law because he would stop it in the upper chamber,
that the only legislation to be had that session would be Nelson's amendment to the Department of Commerce bill. Angered at this prospect, Democrats in the House focused their attack on the sincerity of all Republican antitrust efforts. Just as they had emphasized Republican insensitivity to the wishes of labor during consideration of the Department of Commerce bill, so they now singled out other politically sensitive issues in debating Littlefield's resolution.

The Democrats insisted that they would vote for the Littlefield bill, but said that the Senate's negative attitude revealed the true leaning of the Republican Party as a whole toward it. Some even charged that the bill had been held back until the close of the session to insure its death in the Senate. Roosevelt, because of his great public following and perhaps also because the Democrats wanted to believe in the sincerity of his trust-busting moves, was off-limits as an object of attack; but the Democrats could and did attack his party's failure to live up to their chief. Sulzer, who was very critical of the publicity features of Littlefield's bill, took this line:

My friends on the other side seem to be running away from the President. I believe the President is honest in his antagonism to the criminal trusts of the country. I believe he is sincere in his recommendations to check their apparent evils. I know he is a true American, and I believe the President wants this Congress to do something to curb the power of the trusts in the interests of the people. The Republicans pretend that they do also, but they do not carry out the recommendations of their President.

The opposition picked apart the provisions for publicity in Littlefield's bill. They were not unaware of its fallacies, and, indeed, accused "the great trust buster" of having become "a great trust advocate."
Thomas of Iowa pointed to the implicit discrimination against corporations that would be organized in the future. "Do the necessities growing out of our present conditions require that the searchlight of publicity be turned on every infant industry that may...attempt in the future to engage in interstate or foreign commerce, and at the same time keep the windows darkened with blinds down to prevent the sunlight from shedding a ray on the trusts and combines now in existence...?"

The policy should be to encourage the organization of new corporations to rise up in competition with those already established. Sulzer charged that Littlefield's bill by implication repealed the civil and criminal penalties of the Sherman Act and that this might have been the only reason for drawing up the proposal. "Under the law of our country all trusts are criminal," he said, "and there is no distinction between a so-called good trust and a so-called bad trust, between a big trust and a little trust. Every trust is contrary to both the spirit and the letter of the law... The conclusion will be irresistible to the logical mind that the fault is not so much with the law as it is with the men who are sworn to enforce the law."  

Others challenged the whole value of publicity in regulating the trusts. Representative Henry of Texas brusquely pushed aside the bill: "For my part, I cannot see the merits of the publicity idea... We know as much about (the corporation) now as we would if this act should finally pass in the other end of the Capitol. It is an evasion of the question... It is a miserable makeshift. It is a snare and delusion to lull the people to sleep." McClellan of New York echoed this sentiment. Publicity will not make the evil effects of monopoly more
evident than they are today, he said. At the moment it is the fashion to assume that publicity in the affairs of corporations will be an "absolute preventive" of monopoly, that if the public possesses the details of management, corporations will be prevented "in some mysterious, peculiar way" from acquiring monopolies. The publicity feature of this bill may result in a greater protection to the honest investor in corporate securities, he admitted. "It may result also in preventing the floating of wildcat companies, and the fleecing of the bleating lambs of Wall Street, but the Wall Street end, if I may use that expression, is the only part of the problem that publicity will reach... But these remedies do not go below the surface, and so do not strike at the primary cause of the evil of monopoly."27

House Democrats had their own solutions to offer. They called for the full powers of the federal government to be used against monopoly. "Now, gentlemen," said Clayton of Alabama to his Republican colleagues, "if your party desires to meet the trust evil, why not apply all the proper agencies and instrumentalities of the Federal Government to that end?" Why not put in the bill a denial of the privileges of the mails to these "criminal conspirators?" Why not impose an occupation or other special tax upon them? Why not tax watered stock? Why not levy a tax on the capital stock of every corporation engaged in inter-state or foreign commerce?28

By far the most frequent suggestion was that the protective tariff be removed. The tariff was a particularly sensitive issue with the Republican Party. Though they had failed to revise tariffs significantly downward while in office themselves, the Democrats had long
agitated the issue. Bryan made tariff revision an important secondary aim in the Presidential elections of 1896 and 1900. In contrast, the Republican Party had enacted the McKinley tariff, a frank recognition of the protective principle, and cooperated with Democratic Senators from the East in securing passage of the high Wilson-Gorman tariff schedules.

By 1900 there was widespread discontent with existing tariff laws, and the issue of the protective tariff was beginning to be associated with the trust question. Roosevelt was aware of this fact and was anxious to avoid considering tariff revision in an election year, for fear of dividing his party. In September of 1902 he wrote to Senator Lodge about the way the tariff issue was being linked to the coal strike, despite the fact that there was no tariff on anthracite coal. He took note of the complaints about high prices at home and the lower prices of articles sold abroad.

The popular way of expressing the fact is that the trusts sell goods lower abroad than at home, because of the way they are pampered by the tariff... This is a tariff question pure and simple, and has no relation whatever to the trusts. Yet I think it has a good deal of a hold on the popular mind. Moreover, in the Northwest there is a good deal of formless and vague uneasiness about the trusts in favor of tariff revision.29

Democrats shared the popular belief, however, and appealed to public sentiment concerning it.

McClellan voiced the consensus of Democratic opinion when he said that "the fundamental cause of monopoly in this country, and in every country, is a protective tariff. Just so long as we maintain a tariff which prevents competition, just so long will we have monopolies."
Publicity and prevention of discrimination in freight rates, which the Littlefield bill provided for, are good as far as they go, but

The effort to destroy the vine by trimming its leaves is doomed from the beginning; the effort to slay the monster of monopoly with paper pellets can scarcely disturb the confidence of the intended victim. As long as the Government remains in active partnership with the trusts of this country, just so long will the trusts be able to maintain monopolies.30

Clayton, in his minority report to Littlefield's bill, proposed amendments to the act which would have put certain trust-made articles on the free list and would have given the President discretionary power to remit the tariff on others.31 Henry attempted to offer a similar amendment for the House's consideration.32 These amendments were either defeated or ruled out of order.

All of the Democrats' attempts to refashion the bill met the same fate. Amendments to place corporations already organized on the same basis as future corporations in regard to publicity, to make publicity mandatory rather than discretionary, to prevent overcapitalized companies from engaging in interstate commerce, and to tax the capital stock of corporations having a stock of $200,000 or more were defeated. On February 7, however, the Democrats lent their votes to the bill. It passed the House without a dissenting vote, with ninety-nine Congressmen not voting.

That same day President Roosevelt held a news conference and released Rockefeller's telegram. His action was probably based on two considerations. First, the debates over the Department of Commerce and Labor bill and the Littlefield resolution had been damaging politically. The opposition in the House had made the Republicans seem
anti-labor, pro-business, and protectionist in their tariff policies. Roosevelt realized this. On January 23, he had written conferee Hanna, "For heaven's sake do try to get the words 'and labor' out of the Department of Commerce Bill. The title is cumbersome, misleading, and slightly ridiculous. You might just as well have the word 'capital' put in as 'labor.' Let it stand like every other department—simply Department of Commerce." Now the news conference might counteract Democratic assertions that the Republican Party was not sincere in its antitrust efforts and shore up in the minds of the public his own sagging reputation as a reformer.

Furthermore, Roosevelt was worried about the Nelson amendment. He knew the Senate had no intention of passing the Littlefield bill, whether he supported it or not, but that it would probably endorse the Nelson amendment. The conference committee was ready to recommend its acceptance; on February 3 he had written Lawrence Abbott that this proposal had "now been rather sullenly acquiesced in." But he apparently feared that the opposition in the House would defeat the amendment, counting on the Senate to reject the Littlefield bill and thus hoping to hang on the Republican Party the onus of not having taken any action against the trusts. This is probably what he meant when he wrote to Abbott that "There is much secret opposition to the bills. There is now a determined effort being made by an adroit use of the extremists to secure the rejection by the House of the Nelson Amendment, with the hope that the Senate will then reject all the Littlefield measures." Roosevelt's news conference was intended to prevent the defeat of the Nelson amendment in the House.
Roosevelt deliberately used what historian Allan Nevins called "the Rockefeller bogey" for his own special purposes. On February 6, the younger Rockefeller had telegraphed Senators Allison, Hale, Lodge, and Teller that Standard Oil opposed all the proposed trust legislation except the Elkins bill and wished them to see its counsel Archbold, who was being sent to Washington.36 Roosevelt summoned two newsmen to the White House. He assured them that he had seen the telegrams, but didn't want to be quoted as making any statement. By this time the list of Senators who had supposedly received the telegrams had grown considerably. In addition, Rockefeller, Jr., had been transformed into Rockefeller, Sr., and Standard Oil was said to have opposed all pending legislation. Apparently Archbold saw only Senator Aldrich. After the Nelson amendment had passed, several of the Senators named by Roosevelt called in the correspondents and denied having received telegrams. They had not made a public denial because it would reflect on the President. Joe Cannon later held that this demonstrated that the story "originated in the brain of the President. This Mr. Roosevelt later quite frankly admitted."37 In the meantime, public pressure had achieved the desired effect.

It was in this highly-charged atmosphere that the debate over the Nelson amendment took place. On February 10, the House received and considered the report of the conference committee on the Department of Commerce and Labor bill. Since the rest of the bill had been approved earlier, the discussion centered around Section 6, the section containing Roosevelt's publicity proposal. Democratic denunciation of the Nelson amendment was violent. Richardson angrily called Roosevelt's
threat to summon a special session if his legislation wasn't voted on an unnecessarily drastic action in view of such a weak measure. It was, he said, "an ultra dilution of a homeopathic dose of so-called trust legislation. I believe it to be a travesty upon what its friends represent and claim to be its only virtue—publicity." The purpose of this bill is not to provide publicity, he insisted, for it provides no penalties for failure to comply. The powers given to the Bureau would, in fact, be subverted by the Nelson substitute, for the President would have the authority to direct what would be investigated. "Do you propose," he asked, "to put into the hands of one man the autocratic power to pass on the question that involves the great interests and welfare of all the people? I ask most solemnly, if anything is really contemplated by this substitute, why not require the President to turn over this information to his Attorney General and require him to act at once?" This substitute, Richardson said, pales into absolute insignificance when compared to the Littlefield provisions for publicity.

A studied attempt is being made to make it appear that the Nelson amendment is hostile to the trusts, especially to Standard Oil, Richardson continued. But in actuality no one has reason to fear it:

I say that this substitute has the same characteristic that the chased and pursued fawn instinctively possesses that is being hotly pursued by the hunter. After being pursued through circuitous route, through the woods, over the hills, and through the valleys, it returns at evening to the place where it started. When all the conditions precedent are complied with and the President sees proper, he will, in the sweet by and by, ask Congress for legislation to regulate commerce trusts.
Others agreed with Richardson. Ball of Texas expressed his belief that Rockefeller had not sent telegrams to anyone in opposition to measures "which are hardly equal to a dose of 'soothing sirup' much less calculated to destroy the trusts." Roosevelt's favorite bills he labeled "mere make-shifts," "a hippodrome to help get the Administration out of the hole into which its pretended trust-destroying efforts have placed it." Adamson of Georgia had an even longer list of expletives to apply to the Nelson amendment. It is, he maintained, "a delusion and a snare, a hollow mockery, thinner than thin air, weaker than water, the meanest sham, the most contemptible fraud and false pretense."

Representative Mann briefly replied to these charges. The Nelson substitute actually conveys a greater power upon the commissioners of the bureau to make investigations than has been proposed in any other proposal brought before Congress, he said. The Democrats are just seeking political capital. The exchange of words was extremely bitter. Little attention was given to the substance of the amendment, so angry was the opposition at Roosevelt's political trick.

Despite their objections to it, the Democrats could not vote against the amendment. Hepburn had halted attempts to secure a separate vote on Section 6. To defeat the publicity clauses, they would have to reject the conference report as a whole. This they were not ready to do in view of the widespread public support for the Department of Commerce. Democrats, even if they opposed big business, still had close ties with agricultural and commercial groups interested in expanding their foreign markets. In addition, they realized this
was the only "antitrust measure" that would be permitted to pass. Adamson probably expressed the thinking of his comrades in saying that, despite his private opinion of the amendment, he didn't want to go before the country "in the attitude of opposing the only antitrust legislation that we are served with notice can be enacted." The conference report was approved, with only Littlefield and nine Democrats registering dissenting votes. Out-manned and out-maneuvered, House liberals were forced to acquiesce in the establishment of the Bureau of Corporations.
IV. Theodore Roosevelt: The Nature of Political Leadership

Th' trusts are hiejous monsters built up to be th' inlightened intherprise iv th' men that have done so much to advance progress in our beloved counthry. On wan hand I wud stamp thim under fut; on the other hand, not so fast.

— Mr. Dooley quotes T. R.

Theodore Roosevelt is a perplexing figure. At one time or another, historians have seen him as a great trust buster, as "the master therapist of the middle classes," as a sincere but finally unsuccessful reformer, and as one of the biggest frauds ever to occupy the chair of the chief executive. He began his political career as a "reform" state congressman, deserted the reform element to support James G. Blaine in the presidential race of 1884, and was elected Governor of New York in 1898 through the support of the Platt machine. As President he was the darling of the American public and by 1912 he had emerged as the acknowledged leader of the "advanced" Progressive forces. Despite his reputation as a reformer, his whole legislative program while President conformed to the most modest recommendations of the Chicago Conference on Trusts of 1899 and was "so close to the center of American opinion that the majority of Republicans, including congressmen for whom change was painful, could support or at least condone it." How can one account for the incongruities in Roosevelt's career? Was he conservative or reformer?

As all of his recent biographers have pointed out, Roosevelt was conservative in many important respects. He was basically satisfied with capitalism, for example. The behavior of big business sometimes
failed to coincide with his idea of proper conduct, and he sometimes feared that materialistic values would result in effeminacy of character; but he did not want to alter existing social and economic relationships. He affirmed to Congress that "a fundamental base of civilization is the inviolability of property" and insisted that the line be drawn against misconduct, not against wealth. He believed that concentration of power and of wealth were natural and could not be hindered. Like it or not, he said, concentration is "an inevitable result of the working of the various causes, prominent among them steam and electricity." To a Providence audience, he proclaimed that much of the complaint against combinations was entirely unwarranted. "Under present day conditions, it is as necessary to have corporations in the business world as it is to have organizations, unions, among wage-workers... Exactly as labor organizations, when managed intelligently and in a spirit of justice and fair play, are of very great service not only to the wage workers, but to the whole community, so wealth not merely individual but corporate when used aright is not merely beneficial to the community as a whole, but is absolutely essential to the up-building of such a series of communities as those whose citizens I am now addressing."

Roosevelt never contemplated extensive interference in the economy. "No action by the State," he said, "can do more than supplement the initiative of the individual; and ordinarily the action of the State can do no more than to secure to each individual the chance to show under as favorable conditions as possible the stuff that there is in him." Consistently he advised caution in proceeding against economic abuses.
Do not forget the greater good by fixing your eyes upon the lesser evil, he urged the public. The knife must not be used "with ignorant zeal"; the cure must not kill the patient. Above all, he said, let us remember that our success in accomplishing anything depends on not trying to accomplish everything. "Distrust whoever pretends to offer you a patent cure-all for every ill of the body politic, just as you would a man who offers a medicine which would cure every ill of your individual body."  

Furthermore, the Rough Rider and cowboy was forced to admire the performance of industrial leaders. They had guided the way to mastery over the physical environment, had wielded power in a successful and adventurous manner. It was these qualities—delight in power, an adventuring spirit, tough-headedness, achievement—which Roosevelt applauded in business tycoons. He himself was a firm believer in the leadership of the elite, and on occasion he grouped the magnates with his other heroes, those who had excelled in their chosen professions, as members of the elite. A man of great wealth was a menace to society if he did not use his wealth decently just as was the man who did not use his intellect rightly, Roosevelt admitted.

Every man of power, by the very fact of that power, is capable of doing damage to his neighbors; but we cannot afford to discourage the development of such men merely because it is possible they may use their power for wrong ends. If we did so we should leave our history a blank, for we should have no great statesmen, soldiers, merchants, no great men of arts, of letters, of science. Doubtless on the average the most useful citizen is the man to whom has been granted what the Psalmist asked for—neither poverty nor riches. But the great captain of industry, the man of wealth...is a factor without whom the civilization we see round about us here could not have been built up.
The leaders of giant corporations, the influential men of business, were "great captains" in Roosevelt's mind. Their achievements were of the same order as those of men of literary and scientific renown. He blithely equated their power, in its extent, its effect, its liability to misuse, with that of the intellectual. Doubtless some of his equivocation in regard to the trusts was due to his innate admiration of their directors, once they had acknowledged "the superior moral force" of the State and had agreed to cooperate with him.

Nevertheless, Roosevelt saw himself as a reformer of sorts. Unlike radicals, he did not reject the basic values of his society and sought no fundamental revision in social or economic arrangements. He did fear that American values were being corrupted, however, and felt that some changes in the system were necessary if America was to live up to her ideals. His inclination toward moderate reform was dictated by two factors. The first was his distaste for the crass materialism of industrial society. He despised the vulgar rich, "the glorified huckster or glorified pawn broker type." For him "democracy" seems to have been a way of living more than anything else. It was a matter of values, a style of life informed by moral codes and "manly virtues." It was for this reason that he resisted, intellectually and rhetorically at least, the emphasis on economic goals and self-interest.

In 1899, he and Brooks Adams talked about the possibility of Roosevelt's leading "some great outburst of the emotional classes which should at least temporarily crush the Economic Man." During his Presidency, he appears to have seen himself in just this role. Materialistic ends must be rejected, even if this sometimes necessitated overlooking real economic problems; traditional values which had fallen into abeyance must be reaffirmed and all would be well with the Republic.
Roosevelt always retained a sentimental affection for the companions of his days in the West. He believed that the intermediate elements of society shared his views, that "the emotional classes" abhorred materialism as he did. He wrote William Allen White that

If my nomination is to come at all, it has to come at the initiative of the people... What I mean is that I want it understood that the prime movers in forcing my nomination are men like you..., like the farmers, small businessmen and upper-class mechanics who are my natural allies—I mean who are naturally against populism and who sympathize with my appeal for common sense, courage, and common honesty.10

It was a reformation of morals which Roosevelt wanted and "the people" whose support he wanted most.

The second factor which shaped Roosevelt's attitude was his fear of social conflict. He distrusted "the mob" as much as he hated the vulgarity of some of the rich. Both he and Adams agreed on the danger of the trade unions' eight-hour movement and of the nation being "enslaved by the organizers of the trusts."11 While Governor of New York, he told Boss Platt that he wanted to show that "we Republicans hold the just balance and set our faces as resolutely against the improper corporate influence on the one hand as against demogogy and mob rule on the other."12 This ambition persisted during the years of his Presidency. Roosevelt wanted to arbitrate between the extremes of society, to find a basis for cooperation with each while exercising a moderating influence on both. He felt he had to resist self-interest in all its forms: the cries from below for novel, far-reaching class legislation, the corruption of American values and the threat to political independence from above.
In practice, Roosevelt's attitude translated itself into moderate plans for gradual change. He did not want to attack big business, still less to destroy it, but rather to supervise its conduct. He believed that government had no right to question business operations so long as they were conducted morally.

As John Blum has pointed out, Roosevelt was preoccupied with process rather than ends. "He felt that the central issue of his time pivoted on control of business because this control determined conduct, and morality for him was a matter of conduct. He feared not the size but the policies of big business. He cared not about profits but about the manner of earning profits... Roosevelt fought for regulation because it was designed to control process." Such supervision would require that the reach of the federal government be extended somewhat. But if this were done, it was important that the government remain neutral, impartial, and that it function as an arbitrator. It must be for the honest man, the good trust. It must aim at cooperation rather than antagonism.

Publicity through the Bureau of Corporations was just the sort of reform Roosevelt favored. It was designed to expose the misbehaviors of individual concerns rather than to control or readjust the economy. The chief punishment if offered was public censure. The moral outrage of the public would shame the guilty party into reformation in the same way that a mother's sanction or disapproval of her children's behavior shapes their actions. More than anything else could have, it represented a moral approach to economic problems. It was a means by which traditional private values might be brought to bear on public
communal action. Placed in the hands of a conservative, impartial President, publicity could be used cautiously and with the view in mind of gaining business's confidence and cooperation. Because it held certain advantages for businessmen, as well as protecting the public in general, Roosevelt found publicity a satisfactory answer to existing problems. It was in harmony with his desire for limited reform and his emphasis on proper conduct. It was popular with the public, and it was acceptable to big business.

The last two factors were of crucial importance in 1903. At that time, Roosevelt's paramount concern was the coming election. He needed to convince the people that he was a reformer, and conservative businessmen that he was sound. Senator Orville Platt told him that his opposition came "from both ends of the party— from the moneyed influence as in Wall Street and the agitators in the labor movement— one as much as the other."¹⁴ Roosevelt felt that the same was true of the rest of the country. He was especially worried about business opinion. Near the end of his first term, he experienced repeated attacks of anxiety about the effect that his earlier actions, the prosecution of the Northern Securities case in particular, might have had on businessmen. Lodge reassured him that "The opposition to you among the capitalists is confined to a group of Wall Street and Chicago people, but even in Wall Street there is a large body of men who are with you, and I do not find here on State Street any manifest hostility on account of your merger case, rather the contrary."¹⁵ Nevertheless, Roosevelt continued to worry.

Earlier Roosevelt had written Lodge about the predicament he was in. Despite the fact that his chief advisors were drawn from conservative
ranks and his party's purse filled with contributions from big business, he seems to have felt sincerely that he was free of the influence of corporate wealth. This was cause for worry, however,

Unfortunately, the strength of my public position before the country is also its weakness. I am genuinely independent of the big monied men in all matters where I think the interests of the public are concerned, and probably I am the first President of recent times of whom this could be truthfully said. I think it right and desirable that this should be true of the President... I treat them as precisely as I treat other citizens, that is, I consider their interest so far as my duty requires and so far as I think the needs of the country warrant.16

The monied elements support me when they are actuated purely by "public spirit," he continued. If they are motivated by self-interest, they support me only on points where they think it to their advantage to do so. But since I give them no favors, I can expect no favors in return. "I am at my wits' end how to proceed," he lamented.

As the 1904 election drew nearer, his predicament deepened. Since entering the Presidency, Roosevelt had studiously worked at wresting control of the Republican Party from Mark Hanna. He supported the opponents of Hanna's men in the South, in Missouri, Kansas, Pennsylvania, and Colorado. He made extensive use of patronage to place his own supporters, and tried to cement alliances with business through the National Republican League. Despite the success of his efforts, Roosevelt feared that Wall Street would buy the election for Hanna. In 1903 the sentiment of the financial community seemed to be growing for Hanna. Again and again he was mentioned as the preferred candidate
of Wall Street. Even Roosevelt's moderate program was denounced by some New York newspapers as reckless reform.\textsuperscript{17}

Roosevelt's anger was aroused by the opposition. At times he became almost paranoid in his fears of Wall Street. He frequently remarked that "the criminal rich and the fool rich will do all they can to beat me."\textsuperscript{18} As he toured the country and worked to secure the election of delegates favorable to his candidacy, Roosevelt began to equate Hanna with the New York bankers and to take quite a hostile stance against them. He wrote Lodge that "I have had a great reception here in the West, and yesterday at Spokane made what I consider my best speech... I made it particularly with reference to having a knockdown and dragout fight with Hanna and the whole Wall Street crowd."\textsuperscript{19} At the end of January, 1904, he told another friend that "outside all the Southern states I am now as certain as I well can be that if Hanna made the fight, and with all the money of Wall Street behind him, he would get the majority of the delegation from no state excepting Ohio."\textsuperscript{20}

In part, these words were calculated political moves. One cannot escape the feeling, however, that Roosevelt was genuinely aggravated by the resistance which he assumed existed among the influential financiers. Piqued at their reluctance to disown Hanna's candidacy, Roosevelt occasionally unleashed a storm of rhetoric against them which reassured him of his own sincerity as a reformer. Then, anxious once again about those whose support he felt he needed, he would attempt to assuage the effect by consulting business opinion.
Roosevelt's actions during Congressional consideration of the various publicity proposals should be seen within this context. He had favored legislation dealing with publicity for some time and had requested it in each of his annual messages to Congress. He had made no attempt to push any piece of legislation through Congress before 1903, however. In fact, he seemed undecided as to the actual form publicity should take. It is likely that he did flirt for a while with Littlefield's bill, as the press and Littlefield both believed. He probably swung away from it after the House Judiciary Committee revealed its doubts by watering the bill down substantially and delaying its appearance on the floor. In addition, the Senate's opposition was becoming public knowledge. Roosevelt was more interested in consolidating his political position than in reform. Some sort of legislation was necessary. The public was calling for it, and Congressmen were forcing his hand by proposing their own. But it must not appear radical to key businessmen.

Partly because he believed his help might prove valuable and partly because he wanted to assure business of his intentions, in late December, 1902, Roosevelt asked George Perkins, a Morgan partner, to use his influence in securing the passage of the Department of Commerce and Labor bill. In the meantime he reassured Senator Joseph B. Foraker that he was not contemplating future trust prosecutions and invited Elbert H. Gary of United States Steel to the White House for the first of many conferences. He continued to work closely with Senators Hanna, Nelson, Aldrich, and others on the Department of Commerce bill.
Only after the damaging debate over the Littlefield proposal in the House did Roosevelt seriously begin to apply his pressure on behalf of the Nelson amendment. His news conference was not intended to kill the Littlefield bill, which had just passed the House and was already assured failure in the Senate, but to counteract the charges of the Democrats and to dramatize administration "reform" measures which were, in fact, quite conservative, as businessmen knew. Following his release of the Rockefeller telegrams, the Nelson amendment passed the House and Senate, as no doubt it would have anyway. Roosevelt had succeeded, though, in making it appear that his proposal was enacted in face of the resistance of big business and through his personal efforts. He had discredited, or at least overshadowed, the Democratic opposition, satisfied the public, and strengthened his ties with important business figures. It was altogether an admirable performance.
V. Conclusion

The establishment of the Bureau of Corporations pleased President Roosevelt, for he had regarded the Nelson amendment as the most important of all the administration's proposals and felt that no other branch of the government offered as much opportunity for accomplishing the sort of regulation of corporations that he had in mind. He intended to proceed cautiously, however, in order not to alienate either the rank and file, whose votes he needed in the coming election, or the captains of industry, whose campaign contributions he sought. He wanted to stall any action by the Bureau which might embarrass him politically. Furthermore, he was uncertain about the definition of the Bureau's status and power and wanted to avoid an immediate test case in the courts for fear of "judicial emasculation." His idea was to soft-pedal the Bureau for a time, emphasizing that its work must be at first of "a tentative and experimental character."

Soon after the passage of the Department of Commerce and Labor bill in February, 1903, Roosevelt asked James R. Garfield, son of the former Republican President, to become the new bureau's Commissioner. Garfield met all the necessary requirements. He had entered Ohio politics as a state senator in 1895 as a member of the Hanna-McKinley-Dick wing of the party. His espousal of "clean" government had gained him something of a reputation as a reformer. Roosevelt appointed him Civil Service Commissioner in 1902, and he had proved himself an able administrator at that task. Moreover, he shared the President's views on the trust problem. He was also acceptable to big business. He recorded in his diary Francis L. Stetson's comment that Roosevelt
could have made no better choice for Commissioner. At Roosevelt's suggestion, he sought out Hanna, who initially had reservations about him, and they reconciled differences that had grown up between them in Ohio. ⁴

Roosevelt and Garfield disappointed any hope that reformers might still have entertained for the Bureau. Both repeatedly emphasized the conservative nature of its work. In his annual message to Congress in 1904, Roosevelt spelled out the manner in which it would proceed:

> The policy of the bureau is to accomplish the purposes of its creation by cooperation, not antagonism; by making constructive legislation, not destructive prosecution, the immediate object of its inquiries; by conservative investigation of law and fact, and by refusal to issue incomplete and hence necessarily inaccurate reports. Its policy being thus one of open inquiry into, and not attack upon, business, the bureau has been able to gain not only the confidence, but better still, the cooperation of men engaged in legitimate business. ⁵

Garfield echoed his chief's words. The Bureau's policy, he said, was "to cooperate with, not antagonize, the business world." Its investigations were designed "to secure conservative action and to avoid ill-considered attack upon corporations charged with unfair and dishonest practices." ⁶ One student of the Bureau concludes that he consistently opposed remedial steps as an answer to industrial problems and instead inclined toward a conciliatory policy based on tacit understandings between industry and government. "If it came down to fighting for limited reforms or being politically expedient, Garfield invariably chose the latter." ⁷
The activity of the Bureau was hampered by the refusal of the House Committee on Appropriations to endorse the recommended budget. Garfield complained that this action should be construed "as an indirect method to kill the Bureau," and charged Congress with "bad business and worse politics." Equipped with few clerks and a budget of only $215,000, the staff of the Bureau settled down to a leisurely perusal of state constitutional provisions and laws concerning corporations, an occupation which engaged its attention the entire first year of its existence. In following years, the Bureau conducted investigations of beef prices and the meatpacking industry, of Standard Oil's rebating practices, of the insurance industry, of U. S. Steel, and of the tobacco industry. The most important and best known of these investigations were not initiated by the Bureau. The House of Representatives ordered the investigations of U. S. Steel and the beef industry. The big insurance interests pushed for investigation and regulation of their industry. Garfield and his successors dragged their feet on the beef, steel, and tobacco investigations, tried to prevent the filing of anti-trust suits in several cases, and consistently sought behind the scenes detentes with important business representatives.

The failure of the Bureau to conduct extensive investigations and to lend aid in prosecuting violations of the law was not mainly due to its limited financial resources and staff or to the fear or risking the potential power of the Bureau in federal courts. It must be attributed instead to Roosevelt's growing lack of the interest in the Bureau and to the innate conservatism of the Bureau's directors. Garfield's friendly attitude toward big business and his reluctance to violate its
wishes were revealed in a number of ways. He refused to use the Bureau's compulsory power, giving up investigations when he could not obtain the cooperation of the concerned corporations. The Bureau failed to hold public hearings and made a concerted effort to shield its activities from the newspapers. Garfield resisted requests that information gathered by the Bureau be turned over to the Department of Justice. In several cases, most notably that of the Tennessee Coal and Iron Company, the Bureau refused to reveal its findings to Congressional committees.

Even the limited use the Bureau might have had was negated, then. It was never intended to revamp industry, to destroy trusts, to transform society. It might have policed the conduct of business, however, as Roosevelt seemed to want. It might have provided publicity on illegal activities and furnished information as to the financial conditions of corporations in order to protect innocent stockholders. It did none of these things. The only legislation it seriously recommended was a federal law of incorporation, a favorite project of big business. It is difficult to resist Kolko's conclusion that the Bureau became simply a shield for business to hide behind.

The Bureau of Corporations proved to be an unexpected boon to major industrial interests. It did nothing itself to eliminate interne- cine competition or to rationalize industry. Probably it failed to help business solve any of its internal problems. If businessmen did not achieve the major aims which Kolko attributes to them, they at least were not harmed. They received protection from more searching investigations and more radical attacks because of the Bureau's
pretense of exploration into illegal activity. Furthermore, the Bureau provided a means of cementing the alliance between key business and government leaders which formed the basis for the "political capitalism" Kolko sees as characteristic of the Progressive period. In this sense, the Bureau was indeed functionally conservative.

Contrary to Kolko's thesis, however, the publicity approach to economic problems was not dictated by big business. In the case of the establishment of the Bureau, direct business influence was negligible. Though several top industrial leaders supported financial publicity, they did not initiate or push legislation on the subject. The chief importance of big business in relationship to publicity lay in the fact that, with the exception of Standard Oil, it did not oppose it.

Nor can the creation of the Bureau be attributed to a consensus of social values among business and political leaders. In 1903, publicity was considered a reform measure. It was endorsed, in various forms, by groups and individuals from all classes and all social levels. As Governor of New York, Roosevelt had adopted the idea of publicity because it was in accordance with his desire for moderate reform. He chose to support the Nelson amendment, admittedly more conservative than the Littlefield and Sulzer proposals, primarily for political reasons. It was a conservative measure, but its conservatism was prized for its political rather than its ideological value.

The opponents of the Nelson amendment, chiefly Democrats, were aware and critical of its conservatism. They recognized the limitations of bills they found more acceptable, and a few rejected publicity
as a solution to economic ills altogether. In 1903, there were real and profound differences between the two political parties, differences which Kolko obscures by focusing on the personal relationships among "key" business and political leaders. It is true that almost no one thought that capitalism in its entirety should be overthrown. Nevertheless, men such as Sulzer were genuinely dissatisfied with the nature of current business activity. While they believed in private property, they did not think that existing social and economic relationships were essential to the capitalistic system. In fact, they thought that those relationships, especially the concentration of wealth and power in the trusts, had resulted from the perversion of capitalism. They wanted to use whatever powers necessary to eliminate the discriminatory, unfair business practices which had distorted capitalism and to destroy the fruits of the perversion.

Far from a "paucity of alternatives" in American politics at the turn of the century, there was actually a number of different proposals available to Congress. They ranged from revision of the tariff and compulsory publicity to taxation of corporate wealth and destruction of large corporations. Sulzer's publicity bill was truly radical, but it was so far in advance of the sentiment of the Republican majority in the House that it was swiftly and soundly defeated. In 1903, Democrats were simply too outnumbered to secure enactment of their own reform program. When they assumed control of the legislature during the Wilson administration, they replaced the ineffective Bureau of Corporations with a much stronger Federal Trade Commission.
The Nelson amendment owed its success in Congress to political considerations. In the final analysis, it was the pressure of public opinion which forced a hesitating Republican Congress to act. Roosevelt used public opinion to get what was probably the strongest measure possible in 1903 in view of the conservatism of the Senate. House Democrats acquiesced in the passage of the Nelson amendment not because they harbored a fetish about federal regulation of business or because they were blinded by Roosevelt's theatrics, but because they feared the public would not understand a vote against it.

In the case of the establishment of the Bureau of Corporations, Kolko's thesis has little relevance. Despite the ideological basis of his own thought, he ignores the importance of ideological conflict in the debate over publicity. He overemphasizes the influence of key businessmen and the consensus of values between them and governmental leaders. Too little attention is given to the role of public opinion and strictly political considerations. The Bureau of Corporations might better be considered a defeat for Progressivism rather than as a triumph of conservatism.
Chapter I


6 Hofstadter, The Age of Reform, p. 252.


11 Wiebe, p. 211.

12 Kolko, p. 3.


14 Ibid, p. 5.


16 Ibid, p. 302

17 Ibid, p. 2.


19 Kolko, Triumph, p. 1.


21 Ibid, p. 2.
Chapter II


2Ibid, p. 4.

3Kolko, Triumph, pp. 63-64.


5Wiebe, p. 47.


7Ibid.

8Congressional Record, 57th Congress, 2nd Session, XXXVI, Part 2, p. 906.

9Wiebe, p. 112.

10Congressional Record, p. 18.

11Ibid, p. 20.

12Kolko, Triumph, p. 71.

13Congressional Record, p. 1764, p. 1896.


16Ibid, p. 918.

Chapter III

1Roosevelt to Lawrence Fraser Abbott, February 3, 1903. Letters, p. 416.

2Busbey, p. 222.

3Kolko, Triumph, pp. 70-71.

4Ibid, p. 70.

5Ibid, p. 71.

6Ibid.

7Congressional Record, 57th Congress, 2nd Session, XXXVI, part 1, p. 905.

8Knute Nelson, Report from Committee on Commerce Amending S. 569 (Senate Report 82, 57th Congress, 1st Session), p. 5.
10Roosevelt to Abbott.
12Ibid, pp. 18-19.
13Congressional Record, XXXVI, part 1, pp. 864-865.
14Ibid, p. 904.
16Ibid, p. 905.
17Ibid, p. 906.
18Ibid, p. 907.
19Ibid, p. 909.
21Ibid.
22Congressional Record, XXXVI, part 2, p. 1764.
23Ibid, p. 1902.
26Ibid, p. 1796.
27Ibid, p. 1819.
29Roosevelt to Senator Lodge, September 27, 1902.
30Congressional Record, XXXVI, part 2, p. 1819.
31Ibid, p. 1757.
33Roosevelt to Mark Hanna, January 23, 1903.
34Roosevelt to Abbott.
35Ibid.

36Busbey, p. 220.

37Busbey, pp. 221-222.

38Congressional Record, XXXVI, part 2, pp. 2003-2006.


Chapter IV

1Blum, p. 58.


3Ibid, p. 62.


5Ibid, p. 66.

6Ibid.

7Ibid, p. 63.

8Quoted in Hofstadter, American Political Tradition, p. 208.

9Ibid, p. 220.

10Roosevelt to Lodge, September 27, 1902.

11Hofstadter, American Political Tradition, p. 221.


13Blum, p. 86.

14Quoted in Hofstadter, American Political Tradition,
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1 Roosevelt to Abbott, February 3, 1903; Roosevelt to James R. Garfield, September 30, 1904.


3 Roosevelt to Garfield, September 30, 1904.

4 Thompson, pp. 72-82.

5 Roosevelt, Addresses, p. 224.

6 Fishbein, p. 19.

7 Thompson, p. 278.

8 Ibid, p. 88.
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