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MESSAGE OF THE PRESIDENT

Mr. Taft Champions the Anti-trust Statute.

NEW REMEDIES SUGGESTED.

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

To the Senate and House of Representatives:

This message is the first of several which I shall send to congress during the interval between the opening of its regular session and its adjournment for the Christmas holidays. The amount of information to be communicated as to the operations of the government, the number of important subjects calling for comment by the executive and the transmission to congress of exhaustive reports of special commissions make it impossible to include in one message of a reasonable length a discussion of the topics that ought to be brought to the attention of the national legislature at its first regular session.

The Anti-trust Law—The Supreme Court Decisions.

In May last the supreme court handed down decisions in the suits in equity brought by the United States to enjoin the further maintenance of the Standard Oil trust and of the American Tobacco trust and to secure their dissolution. The decisions are epoch making and serve to advise the business world authoritatively of the scope and operation of the anti-trust act of 1890. The decisions do not depart in any substantial way from the previous decisions of the court in construing and applying this important statute, but they clarify those decisions by further defining the already admitted exceptions to the literal construction of the act. By the decrees they furnish a useful precedent as to the proper method of dealing with the capital and property of illegal trusts. These decisions suggest the need and wisdom of additional or supplemental legislation to make it easier for the entire business community to square with the rule of action and legality thus finally established and to preserve the benefit, freedom and spur of reasonable competition without loss of real efficiency or progress.

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

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

In two early cases, where the statute was invoked to enjoin a transportation rate agreement between interstate railroad companies, it was held that it was no defense to show that the agreement as to rates complained of was reasonable at common law, because it was said that the statute was directed against all contracts and combinations in restraint of trade, whether reasonable at common law or not. It was plain from the record, however, that the contracts complained of in those cases would not have been deemed reasonable at common law. In subsequent cases the court said that the statute should be given a reasonable construction and refused to include within its inhibition certain contractual restraints of trade which it denominated as incidental or as indirect.

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

It has been said that the court by introducing into the construction of the statute common law distinctions has emasculated it. This is obviously untrue. By its judgment every contract and combination in restraint of interstate trade made with the purpose or necessary effect of controlling prices by stifling competition or of establish-

ing in whole or in part a monopoly of such trade is condemned by the statute. The most extreme critics cannot instance a case that ought to be condemned under the statute which is not brought within its terms as thus construed.

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

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MONTANA NEWS BRIEFLETS

A Budget of Readable Short Items From Various Parts of the State.

TOWNSEND, Dec. 2.—Wholesale arrests of alleged cattle thieves are being made in Broadwater county as a result of a determined effort on the part of the organized stockmen to stamp out rustling which is declared to have grown to alarming proportions. The old days of the rustlers who stole cattle and thus started or augmented a herd are over, but in their place there is said to have developed a large number of petty thieves who find it cheaper to kill beef than to buy it, or to operate on a small scale by killing other people's steers and selling them to small butchers.

FORSYTH, Dec. 2.—A suit in the district court here, which is considered one of the most important to stockmen ever tried, resulted in the granting of a temporary restraining order to the Rea Bros. Sheep company against seven sheepmen in this county. The sheep company has leased a large number of odd numbered sections in the northwest part of the county from the Northern Pacific Railroad company. The land, with the even numbered government sections, embraces a territory 21 miles from east to west and 40 miles from north to south. Other sheepmen have been grazing their stock in this territory and the sheep company asked that they be restrained from grazing on the railroad sections.

HELENA, Dec. 2.—Seventy-one persons were killed and 528 persons were injured on Montana railroads during the year beginning Oct. 1, 1910 and ending September 30, 1911, according to the annual report of the Montana railroad commission presented to Acting Governor W. R. Allen.

GREAT FALLS, Dec. 1.—When the gambling case against Dan Shields was called today in Justice Safford's court, the complaining witness, Chas. Carr, who alleged he lost \$80 in Shields' place in a poker game, was not in court, and County Attorney Greene moved a dismissal of the case. There has been talk of a grand jury to look into gambling.

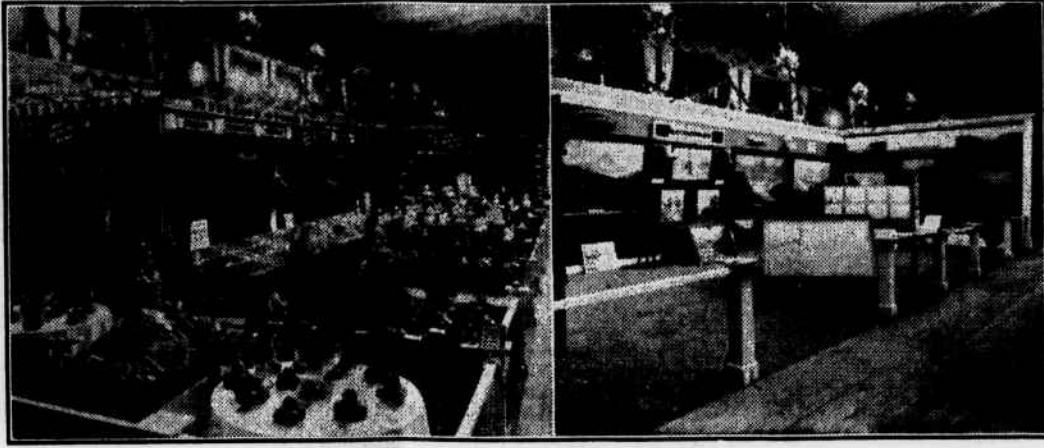
BUTTE, Dec. 2.—The damage suit brought in behalf of Mike Novack, 19 years old against the Northern Pacific railroad company, was concluded in Judge Lynch's court yesterday, and the jury returned a verdict in favor of the boy for the recovery of \$25,000. It was alleged that young Novack was injured by being struck by an engine while he was employed as a section hand at Chesnut station.

LEWISTOWN, Dec. 1.—A sensation was caused here yesterday morning by the arrest of Felton R. Lyons, a well known young telegrapher, employed at the office of the Continental Company, here, on a charge of bigamy preferred by his first wife, Mrs. Pearl Lyons of Sioux City, Iowa. Lyons is now in the county jail.

BILLINGS, Nov. 30.—Eight carloads of cattle will be shipped out of Huntley tomorrow morning by Judge Mann of this city and Thomas H. Hogan of the Pryor creek country. The animals will be forwarded to the markets of Kansas City. They have been fattened upon beet tops and alfalfa and are said to be in excellent condition.

LIBBY, Dec. 1.—During the hunting season which closed yesterday more deer have been killed in northwestern Montana than in any previous season for many years. It was estimated last season that 1,000 deer were killed in Lincoln county, but this year it was thought that at least 3,000 have been killed. The heavy snowstorm early in November drove the deer down out of the mountains much earlier than usual and since that time there has been a great slaughter.

HELENA, Dec. 1.—That the big dredges in operation in Madison county aid materially in sustaining the reputation of that county as a gold producer is indicated by the monthly report from the United States assay office in this city for the month of November, which shows that the deposit from Madison is \$82,566.52, or nearly one half of the entire deposit from all of the other Montana counties combined. Chouteau is the second heaviest depositor, the amount being \$22,555, and Fergus the third with a deposit of \$20,268.65.



GREAT NORTHERN RAILWAY'S EXHIBIT AT NEW YORK LAND SHOW

A NEW TRIUMPH IN THE EAST

Minnesota, Montana and Washington Take Coveted Prizes at the New York Land Show

In competition with the most renowned agricultural sections on the American continent, the States of Minnesota, Montana and Washington have triumphed at the New York Land Show held at Madison Square Garden, November 3 to 12.

James Todd Wins Hill Prize
James Todd of Geysers, Montana, won the J. J. Hill \$1,000 silver cup for the best 100 pounds of winter wheat grown in the United States this year. Against competition from almost every state in the Union the fertile Judith Basin of Montana came out on top. The prize grain was of a yield of seventy-five bushels to the acre and weighed sixty-five pounds to the bushel.

Mr. Einsinger of Manhattan, Montana, won the Babst cup for the finest exhibit of barley. This contest was open to the world. Mr. Einsinger's exhibit was from a field which averaged 68.8 bushels to the acre and weighed 57 1/2 pounds to the bushel.

MCMNAMARAS PLEAD GUILTY

Celebrated Dynamiting Case Concluded By Accused Men.

LOS ANGELES, Dec. 1.—James J. McNamara pleaded guilty this afternoon to murder in the first degree in connection with the death of Charles J. Haggerty, a victim of the Los Angeles Times explosion and fire. His brother John, jointly indicted with him, pleaded guilty to dynamiting the Llewellyn Iron works. They will be sentenced next Tuesday, December 5. James B. McNamara probably will get life imprisonment. John J. McNamara, it was rumored will get 14 years. Each pleaded on the charge of which he was extradited from Indianapolis.

Within 15 minutes after court opened this afternoon one of the greatest criminal trials of modern times had ended so abruptly that many officials supposedly in the heart of the case did not know it was going to happen. The prisoners were taken back to jail, Judge Walter Bordwell retired to his chambers, and opposing counsel went to their rooms.

"The McNamaras have plead guilty because they were guilty," was District Attorney John D. Fredericks' comment.

"If I could have seen any way out of it, we would have not done it," said Clarence S. Darrow after court.

Attorney Darrow stood around the room after court adjourned and newspapermen crowded around him.

"I'm glad it's over with," said Darrow with a sigh. "We have been working on this for two weeks and it has been the greatest strain of my life. The Times building was blown up by James McNamara with nitroglycerine to be sure, but the bomb touched off the gas and the gas really did it."

"Did you have to wrestle hard with the McNamaras to get that admission?" he was asked.

"Somewhat, but the facts have been overwhelming. Every loophole was gathered in by the state. As far as I am concerned I felt that sooner or later it had to come. Things were happening in which big people were interested. The movement was appalling. They wanted the matter cleared up and feared further bloodshed unless we obliterated the incident from Los Angeles at once. Of course, I feel that I have helped the McNamaras by getting them to plead insofar as they probably will not be sentenced to death. Life imprisonment will be meted out to James B., and John J. will get off with a light sentence."

Women in Land Frauds.

WASHINGTON, Nov. 30.—Extensive land frauds through the use of soldiers' declaratory statements have

Messrs. Van Cleve and Sudduth of Broadview, Montana, on the line of the Great Northern Railway in Yellowstone County, won the silver cup for the finest exhibit of alfalfa.

On oats the silver cups went to Messrs. Patten and Hartman of Bozeman. The oats of their exhibit was of a yield of 154 bushels to the acre, weighing forty-five pounds to the bushel.

Four years ago almost any farmer in the east would have scoffed at the idea that Montana could produce prize winning crops of any kind of grain. The exhibits at the New York Land Show have brought more honor to Montana than any other one incident in the history of the state. Montanans have a right to be proud of their home state, and the next few years will witness a tremendous immigration to that state as a result of the publicity given it through the New York Land Show.

Washington Wins Apple Prizes

The fruit growing districts of Washington won the handsome prize offered by President Elliott of the Northern Pacific Railway, \$500 in gold, and the \$1,000 silver cup went to Mrs. Ella D. Rowland of North Yakima, who exhibited twenty-five boxes of apples. Mr. A. G. Hauner of Spokane, Washington, offered the \$1,000 silver cup.

Minnesota Wins Potato and Barley Prizes

A. B. Hostetter, of Duluth, won the second ribbon for the best potatoes in the world. Some of the judges thought that he should have been awarded first prize, but there was "glory enough for all" and his winning the second prize in a world-wide competition shows what the fertile soil of Northern Minnesota can produce. Minnesota also won a second prize for the best bushel of barley grown in the world, as A. D. Vansickle, of Warren, Minnesota, was the alternate of Mr. Einsinger, which means second prize.

TARIFF BOARD REPORT.

Important Document Will Soon Be Given Publicity.

WASHINGTON, Dec. 1.—The much discussed report of the tariff board on the wool schedule of the Aldrich tariff bill and the wool industry will be in the hands of President Taft not later than December 11. This prediction was made at the White House today after a visit of Chairman Emery and A. H. Sanders of the board. The cotton report will be sent to the White House a few days later.

Mr. Taft spent nearly an hour with the two members of the board and urged them to make all possible haste in the preparation of both reports, and the board will work nights and Sundays until its work on these two schedules and industries is completed.

Mr. Taft's two special tariff messages, one on wool and the other on cotton, it became known, will be formal documents. Under the act creating the tariff board, it is not expected to make recommendations for tariff regulations to congress.

Its reports will show the comparative cost of production of wool and cotton in the various states in the United States and abroad, but it will not contain conclusions as to any rates.

It was said at the White House to be the president's understanding that the house ways and means committee will make its own investigation of the woolen industry after it receives the tariff board's report. The president, it was said, would hesitate, therefore, to recommend the specific rate when congress planned a supplementary investigation of its own.

Reports that the tariff board had been split over the report on raw wool and its need of protection, were denied by Mr. Emery and Mr. Sanders after their talk with the president.

Arrest Bribery Suspects.

LOS ANGELES, Nov. 28.—Detectives of the state attorney's office, headed by Samuel L. Brown, chief of investigation, arrested three men on a Los Angeles street corner today, charging attempted bribery in the McNamara murder trial. The men arrested are: Bert Franklin, a former United States marshal, now employed by the McNamara defense is looking up the antecedents of prospective jurors.

George N. Lockwood, a venieman summoned to appear before Judge Walter Bordwell today for preliminary examination.

"Cap" White, who was for many years an undersheriff and jailer in this county. The men were taken first to the office of the district attorney and then to jail. Counsel for the defense said they knew nothing of the case.

VISIT BIG LAND SHOW.

Western Governors Receive Welcome At Chicago Exposition.

CHICAGO, Nov. 28.—Chicago housed today the governors of a chain of states extending from Illinois to the Pacific coast, with the arrival from Minneapolis and St. Paul of the "Governors' Special," on the first leg of its 4,000-mile trip undertaken to exploit in eastern cities the agricultural, commercial and mining advantages of the northwest.

"Before we end our trip many a jobless man now shivering in the streets of New York, Philadelphia or Washington, will be listening to the call of the west and many an eastern merchant will be on more intimate terms with the great country northwest of the Mississippi," said one governor in explaining the purpose of the mission. Five carloads of the products of the various states are to be displayed in the eastern cities.

Here the governors and their party, accompanied by C. B. Brown, director of the Panama-Pacific exposition, who represents the governor of California, were met by a committee of the Chicago Association of Commerce, Oregon, Washington, Idaho, Wyoming, Montana and Colorado were represented by governors or other state officials.

Soon after their arrival, they were taken to see the carloads of potatoes, pumpkins, apples and other products of the soil on exhibition at Chicago's annual land show.

Chinese In Fierce Battle.

SAN FRANCISCO, Nov. 28.—Terrible slaughter has marked the fighting at Nanking, according to a cablegram received today by the Chinese Daily Paper here. The report says that 3,500 regular soldiers and 300 civilian volunteers have been killed.

Dispatches received by the Chinese Free Press state that the imperialists and revolutionists are fighting today inside Nanking. The revolutionary navy is preparing to bombard the suburb Shi Kwang, occupied by the Manchus.

Would Regulate Trusts.

WASHINGTON, Nov. 28.—Seth Low, president of the National Civic federation, and former mayor of New York, gave to the interstate commerce commission of the senate today his personal views as to the best methods for controlling the trusts.

He urged the federal licensing of all interstate corporations, giving them permission to incorporate with a settled charter if they so desired.

He suggested the appointment of a federal commission to look after the organization and the acts of companies operating in more than one state.

"The tendency to combination in trade agreements is universal," said Mr. Low, "the government is undertaking the impossible if it tries to prevent them."

He expressed the belief that many trade agreements limiting output are in the public interest and should be regulated rather than prohibited.

Labor Leader Is Surprised.

NEW YORK, Dec. 1.—"I am astounded, I am astounded; my credulity has been imposed upon. It is a bolt out of a clear sky."

The exclamations were those of Samuel Gompers, president of the American Federation of Labor, when advised tonight of the pleas of guilty in the McNamara cases.

When the fund raised by the American Federation of Labor for the defense of the McNamaras was mentioned, Mr. Gompers said contributions to date amounted to about \$190,000, which had been turned over to the chief attorney for the defense, and the collection was still going on. He added that the money probably would be refunded.

Asked again if he believed today's developments would injure the cause of labor, tears came into Mr. Gompers eyes as he answered:

"They are not going to do it any good. But I want to repeat that the cause of labor has been imposed upon by both supposed friends and enemies. The labor men were led to believe that the McNamara brothers were innocent, and they acted on that basis. I read letters from them myself protesting their innocence. Only last September I visited them in Los Angeles jail, and they asked me to deliver to the labor interests a message that they were innocent.

"The cause of labor cannot win by such methods as these men pursued. Damage to property and destruction to life we have denounced and done all in our power to prevent. Such methods as these have got to be stamped out."