

in my opinion, it was bad legislation which removed all limits to the size of corporations, as we did from 10 to 20 years ago.

Senator CUMMINS. Precisely; I was just coming to that. Healthful and reasonable and effective competition is hardly to be looked for so long as there is a community of interest in so-called competing corporations, I suppose.

Mr. BRANDEIS. I so believe.

Senator CUMMINS. That seems to be a deduction from what we know of human nature, and therefore if we could provide that these great concerns should not have common stockholders we would make a very considerable advance toward reasonable competition, I assume.

Mr. BRANDEIS. I think so; but I think that the question of the limitation of the size of the corporation, if we had an effective law regulating trusts, would not become an urgent question very soon, although it may be a simple way of arriving at the result. To express a little more clearly what I mean, I will say this: I believe that the existing trusts have acquired the position which they hold largely through methods which are in and of themselves reprehensible. I mean either through methods which are abuses of competition or by such methods as were pursued by the steel corporation in paying ridiculous values for property for the purpose of monopolistic control.

I am so firmly convinced that the large unit is no efficient—I mean the very large unit—is not as efficient as the smaller unit, that I believe if it were possible to-day to make the corporations act in accordance with what doubtless all of us would agree should be the rules of trade no huge corporation would be created, or, if created, would be successful. I do not mean by that to say that it is not good to have the limitation in the law. What I mean is that I am so convinced of the economic fallacy in the huge unit that if we make competition possible, if we create conditions where there could be reasonable competition, that these monsters would fall to the ground, that I do not consider the need of such a limitation urgent.

Senator CUMMINS. By that you mean, I take it, at least partially, that if we had some regulation which would insure honest capitalization—that is, bonds and stocks, that measure of actual value of the property taken in by the corporation—there would be a greatly less motive for bringing them together?

Mr. BRANDEIS. I mean that; but I mean something more, and it is