

this: Go back and see what the real commanding cause was of the formation of these trusts. In the first place, I do not believe the desire for greater efficiency was an important moving cause. The potent causes were two things—one was to avoid what those interested deemed destructive or, at least, very annoying competition; the other cause, an extremely effective cause, was the desire of promoters and bankers for huge commissions. The amount of Steel Trust representing bankers' commissions was figured by the Commissioner of Corporations as \$150,000,000 in securities.

Senator NEWLANDS. Mr. Brandeis, what limit would you place upon the size of corporations?

Mr. BRANDEIS. I should not think that we are in a position to-day to fix a limit, stated in millions of dollars, but I think we are in a position, after the experience of the last 20 years, to state two things: In the first place, that a corporation may well be too large to be the most efficient instrument of production and of distribution, and, in the second place, whether it has exceeded the point of greatest economic efficiency or not, it may be too large to be tolerated among the people who desire to be free. I think, therefore, that the recognition of those propositions should underlie any administration of the law. As I stated before, I believe that it was a very serious mistake on the part of our legislators to remove the limit of the assets and of capitalization of corporations; that they did not fully consider what they were doing. I believe it is historically true that that limit was removed without serious consideration by the legislators of the country of the probable effect of their action.

Senator NEWLANDS. Do you think it would be in the power of the United States Government, by act of Congress, to limit the size of State corporations engaged in interstate commerce, either in point of size, capitalization, or area of their operations?

Mr. BRANDEIS. I do not suppose it would be constitutional in one sense to limit their size, but I suppose Congress would possess the constitutional power to confine the privilege of interstate commerce to corporations of a particular character.

Senator NEWLANDS. You have no question about that power?

Mr. BRANDEIS. I should think not.

Senator NEWLANDS. It would be necessary to fix some standard, would it not?