

the death of a trust manager is certainly worthy of consideration.

The watering of stock is not only indefensible, but it contradicts the arguments made by interested parties in defence of trusts. The favorite contention of promoters is that consolidation makes production more economical, and, therefore, tends to lower prices. But nearly every corporation that attempts a monopoly proceeds to capitalize the expected savings, thus giving to the stockholders the advantage promised to the consumers.

If a corporation plans to control any product, and estimates a saving of one million by the discharge of travelling salesmen, it figures that that amount will pay five per cent interest on twenty million dollars, and it immediately increases the stock to that extent. A prospectus issued by the International Steam Pump company shows that the properties bought were estimated at less than twelve million dollars, while the company was capitalized at twenty-seven and a half millions. The earnings for the preceding year were estimated at one million two hundred thousand. The prospectus adds, in conspicuous type: "A conservative estimate of the advantages derived from consolidation is believed to be one million three hundred thousand over the present earnings, which would make a total of future net earnings, with the estimated earnings based on ten months of the year's business, of two millions five hundred thousand, or six per cent on the preferred stock, and over eleven per cent on the common stock of the new company."

The Many Cannot Inflation Values.

The farmer is not able to inflate the value of his farm; the merchant is not able to inflate the value of the goods upon his shelf; the laboring man cannot put a fictitious value upon his services. But a monopoly is able to collect dividends upon watered stock, and to secure interest upon money never invested in the business. Why should it be tolerated? Why should a fictitious person, called a corporation, be granted privileges or be permitted to enjoy immunities denied to the natural citizen? It is inevitable that the ordinary individual, whether customer, merchant, or employe, must feel the evil effects of over-capitalization. If a farmer realizes only a small profit when he sells, but is compelled when he buys to pay the manufacturer a large profit, it is evident that he will fall behind in the race for a competency. If the merchant must sell at a profit fixed by competition, and buy at a price fixed by monopoly, and upon terms regulated wholly in the interests of the manufacturer, he will have to bear all the vicissitudes of trade, and will find himself at a great disadvantage. The managers of the corporations will be interested in keeping the stock at par, and in dull times there will be a perpetual contest between wages and watered stock.

The same number of the North American Review which contains Mr. Sage's article contains replies thereto by Mr. Hill of the Great Northern, Northern Pacific and Burlington Railroad combination, Mr. Schwab of the Steel trust, Mr. Flint of the Rubber trust, and Mr. Logan of the Envelope trust. But the testimony given by these gentlemen must be taken with that allowance which is always made for the testimony of witnesses peculiarly interested.

Application of Every Day Rule.

In discussing the result to follow from the establishment of industrial combinations for the suppression of competition, one can only apply the rules which are seen in operation every day. Human nature does not change much from generation to generation; selfishness is as potent an influence today as it was a century ago. Advancement is not secured by the elimination of selfishness, but by restraining excessive manifestations of it.

First, extortionate prices to the consumer will prevail. The same greed which leads trust magnates to issue stock in excess of the money invested will lead them to make the dividends as large as possible, and the same greed which leads them to increase the dividends will lead them to repeat stock inflation indefinitely.

Second, industrial monopoly is likely to result in lessened wages and in increasing friction between employers and employes. The larger the corporation the more complete the separation of the employe from the manager of the corporation, and the less the sympathy between those who toll and those who fix the wages.

Third, the enhancement of the price of trust-made articles must in the long run lessen the demand for the product by lessening the ability of consumers to purchase. This in turn means curtailment of production and a diminished demand for labor.

Fourth, under a system of monopoly all loss can be thrown upon the laborers. Under competition the factory often runs at bare cost, or even below cost, because suspension of work might mean the scattering of the employes to other centres of industry. But when a corporation has control of the market, it can close down without loss and leave the employes in idleness until the surplus is worked off at a high price. Thus a high wage per day, when there is employment, may mean a small annual income.

Fifth, monopoly is likely to result in deterioration of the product.

Sixth, the opportunity to make enormous profits by market fluctuations is apt to lead the managers of monopolies to speculate at the expense of the ordinary stockholders, and suggests a method of influencing public officials far more potent than any form of direct bribery.

Seventh, monopoly provides a few places with excessive salaries, but denies to a multitude of competent and deserving men the possibility of industrial and financial independence. It crowns a few with laurels, and condemns the masses to hopeless servitude.

Eighth, as imperialism substitutes a sullen subject for a bold and self-assertive citizen, so an industrial monopoly converts the ambitious and progressive artisan into a timid and servile dependent.

Ninth, with a complete monopoly we may expect that the control, descending with the stock from father to son, will create an industrial aristocracy, as hostile to liberty as the landed aristocracy which was overthrown by our forefathers.

Sound Principles Apply Generally.

Whether a remedy needs to be applied depends upon the answer given to the inquiry in regard to competition. If competition is desirable, a private monopoly is indefensible. If, on the other hand, the suppression of competition is a thing to be desired, some plan must be devised to make the suppression complete. It would be obviously unfair for one portion of the community to be protected from competition while another portion was subjected to it. No principle can be accepted as sound which is not susceptible of general application. If the people decide that competition should be suppressed, they must choose between private monopoly and socialism. I do not mean that system of socialism, now called extreme, which would place the government in control of all the forces of production and distribution, but a still more complete system, which would make the state the beneficiary of all service rendered and the distributor of all compensation.

Extinction of Private Monopoly.

The extinction of private monopoly is, in my judgment, both desirable and possible. The corporation is the institution through which the monopoly develops, and, as a corporation is purely a creature of law, the people can place on it such limitations as may be necessary for public welfare and protection. The state has power to prevent the creation of any corporation within its limits, or to fix the conditions upon which a corporation may exist. It also has the power, or should have, to prescribe the terms upon which a foreign corporation may do business in the state. The distinction between the natural man and the corporate person is so great that the state should

have the power, if it has not now, to give its citizens any necessary protection from corporations organized elsewhere. But the state is not able to furnish a complete remedy, and, without taking away the rights which the state now has, congress should give additional protection. The Sherman anti-trust law prohibits contracts entered into by separate persons or corporations for the limiting of production, fixing of price, or division of territory. While this law has not, according to the belief of many, been enforced as it should have been, it is not broad enough to reach a monopoly attempted by a single corporation. According to the constitution, congress has power to regulate interstate commerce, and under this power it certainly has a right to define a monopoly, and to prevent such a monopoly from engaging in interstate commerce. It can deny to a monopoly the use of the mails as it does to the lottery. It can also deny to it the use of the interstate telegraph lines or railroad systems. It can require a corporation to establish to the satisfaction of the interstate commerce commission, or of some other commission created for the purpose, the fact that there is no water in the stock, and that it is not attempting to monopolize any branch of business, and it can provide for a revocation of the permit or license if the conditions are violated. It can fix a maximum proportion between the business which any corporation engaged in interstate commerce shall be permitted to do, and the total business done in that line. It can fix the maximum capitalization of corporations engaged in interstate commerce, or the maximum dividends which they may earn. It can require a corporation to sell to all customers at the same price and on the same terms, and it can remove the tariff from trust-made articles. These are a few of the remedies that have been discussed.

While congress cannot interfere with a domestic corporation, it has supreme power over commerce between the states. The failure of congress to pass necessary laws, and of officials to enforce existing laws, is due to the fact that members of congress and executive officers are under obligations to the trusts and monopolies for campaign assistance. The people can put an end to private monopolies as soon as they undertake it in earnest—and not before.

Marseillaise.

(From the French, by Roget de Lisle.)

Ye sons of Freedom, wake to glory;
Hark, hark, what myriads bid you rise!
Your children, wives, and grandstires hoary—
Behold their tears and hear their cries!
Shall hateful tyrants mischief breeding,
With hireling hosts, a ruffian band,
Affright and desolate the land,
While peace and liberty lie bleeding!
To arms, to arms, ye brave!
Th' avenging sword unsheath!
March on! March on!
All hearts resolved on victory or death!

Now, now the dangerous storm is rolling,
Which treacherous kings confederate raise;
The dogs of war, let loose, are howling,
And lo! our walls and cities blaze!
And shall we basely view the ruin,
While lawless force with guilty stride,
Spreads desolation far and wide,
With crimes and blood his hands embruing?
Th' avenging sword unsheath!
To arms, to arms, ye brave!
March on! March on!
All hearts resolved on victory or death!

With luxury and pride surrounded,
The vile insatiate despots dare,
Their thirst of gold and power unbounded,
To mete and vend the light and air!
Like beasts of burden they would lead us,
Like gods would bid their slaves adore;
But man is man, and who is more?
Then shall they longer lash and goad us?
Th' avenging sword unsheath!
To arms, to arms, ye brave!
March on! March on!
All hearts resolved on victory or death!

O Liberty! can man resign thee,
Once having felt thy generous flame?
Can dungeons' bolts and bars confine thee,
Or whips thy noble spirit tame?
Too long the world has wept, bewailing
That falsehoods' dagger tyrants wield;
But Freedom is our sword and shield,
And all their arts are unavailing!
To arms, to arms, ye brave!
Th' avenging sword unsheath!
March on! March on!
All hearts resolved on victory or death!