

claim is pushed too far when we are asked to excuse the manifold iniquities of the Standard Oil because the price of refined petroleum has fallen. We must remember that when petroleum has once been found, its output cannot be repressed as that of other products; and that to store large quantities of it, and to so keep it out of market, is exceptionally difficult and risky. The progress of invention has cheapened mineral oil as it has many other things—raw cotton, in fact, whose production has been controlled by no combination, has fallen quite as remarkably. But consolidation of capital reduces costs, can reduce prices, and sometimes does. A more perfect organization gives opportunity for better economic methods in purchasing, in manufacturing, transporting and marketing, and in mastering thousands of petty but necessary details. An important economy comes from specializing business among different establishments. Another results from avoiding the many wastes of competition; and this usually determines whether there shall be a "trust" or not.

In such a business as sewing machines or stoves, for instance, where the cost of selling is 30% of the cost of manufacture, or more, combination is highly economical. But in the general foundry business, employing no traveling salesmen and comparatively little machinery, there could be no such advantage, and therefore this business has little to gain by forming a trust, and much to suffer if supplies are cornered. Combination does tend, as a rule, to make the market less speculative. Our industrial trusts may not give us the best form in which production could be consolidated, but that there will be consolidation in some form follows necessarily from the law of evolution. Indeed, the progressive march of industrial combination is something impossible to withstand.

Washington Gladden, a well-known writer on social questions, truly says:

"Concentration in all the great industries is the word of the hour. We can no more go back to the old economic regime than we can return to the stage-coach and the hand-loom. The only question is, who shall control these vast enterprises? Is the capital of the country all to be gathered in the hands of a few men and administered by them according to their pleasure? Doubtless, if we could be sure that the managers of these gigantic industries would all be sagacious and unselfish men, consulting the public interest in all their actions, this might be a desirable arrangement. But experience does not encourage us to look for such virtues in those who possess such enormous power."

The vices pertaining to men in indus-

trial combinations are perhaps not greater than those of imperfect human nature in separate action, except in so far as their association gives them added strength. Yet those vices must not be slighted. That repression of manly development and character which comes of resigning our independence and becoming merely part of a machine is by no means least among them. The cheapening of commodities, above spoken of, generally results from forces beyond the control of the trusts; while the resistance to cheapening, through cutting down production and thus promoting scarcity, is altogether voluntary with them. While they are curtailing their output to run up the price, they do not consider whom they thus deprive of employment—steady prices are more important to them than steady work. And while illiberal toward the public and harsh toward the working class, they are utterly merciless toward all rivals. Their mischief has grown with their power, by closer consolidation; the trusts were mild and innocuous by comparison with the combinations that have supplanted them. One of the greatest evils shown in connection with them is in their over-capitalization of stock.

When we learn that in one month, in one state, corporations of a total capital of over a thousand million were chartered—as was the case in New Jersey last March; when we read the list of such organizations, all of recent origin, with nominal capital of six thousand millions, and know that they probably represent a true value of less than one thousand million we may be assured that the investors are to be robbed. Many of these joint stock corporations are formed with a view to selling the stock, and thus coining a huge profit on water. Sometimes projectors succeed in this by mere trickery, but more often there is some concealed advantage they enjoy which goes to explain their success. No share in an industrial enterprise could sell at very much above its actual cost unless there was some kind of monopoly behind it—based on land possession, or a patent, or a special legislated privilege, or unrestricted possession of its field assured by force. Serious as this evil is, the consequences to which our neglect to cure it may lead are no less serious to contemplate. Let me quote again from that clear-sighted writer, Washington Gladden:

"Such a gigantic attempt to bind burdens upon the whole community of consumers must provoke a violent reaction. These thousand-millions of watered stock are simply a legalized demand upon the people for contributions of their substance to those who have given them nothing in exchange. The feudal lords of the olden time made no such

unjust demand. It will not be endured. And there is terrible danger that these injustices will be swept away by a whirlwind of popular wrath."

Beyond question, these evils, belonging to or associated with combined capital, ought to be cured if curable. One way to meet them is by proclamation and denunciation.

It is confidently promised that the next republican platform will contain

Political Platforms. a "ringing plank against trusts."

That the democratic opposition will equal or outdo that example in pronouncement is accepted as altogether probable. Thus will the air be filled with claims and counter-claims, in the midst of which the trusts themselves will suffer not a particle. They thrive on opposition like that. "Anti-trust laws" of the usual, general kind, are very little more effective than platform proclamations.

Nor, so long as laws are of this character, is there much hope that individual states can operate them more

Ineffective Laws.

successfully than the general government. The efforts of a few states, particularly Missouri, are certainly not encouraging. Laws impairing the obligation of contracts would do more harm than good, even if they were not glaringly unconstitutional. Everything that has been heretofore done in this line has not only not helped, but positively hurt, by driving producers from trusts (properly speaking) into the closer combinations that are so much more dangerous. Law can do something for the public even in this case if rightly contrived; but law of the kind contemplated in platforms and hitherto enacted—a dead letter—*ab initio* because totally unenforceable—is the very food that the trusts thrive upon. It would be unfair to pass from the topic of humbug remedies that only aggravate the complaint, and make no mention of that most dangerous humbug of the lot; the one which pretends to subdue all trusts by striking a blow at the bogie called "the money trust"—that is to say, by a wholesale violation of the obligation of contracts. The most effective service that can be done for these aggregations of capital is by demanding some cure that will be worse than they are, and so giving them a factitious respectability by contrast; and just that service is done them when it is proposed to fight them with "free silver."

Among the proposed remedies for the trust evil is that of putting more power

The People's Property. over the management of industries into the hands of

the government—giving it the same control over other enterprises that it has now over the postal-service. Natural monopolies, we are told by more than one thoughtful writer, belong to