

the whole people and should never be allowed to pass into the hands of a few. Following this principle, the monopoly-advantage now enjoyed by private associations of capitalists would remain to the people and be administered by their agents for their benefit. The plan would be excellent, if it could be made to work as its proposers would have it work. But can it? The difficulty is this: What these writers prove is that this business is suitable to governments as they ought to be, while our practical problem deals with governments as they exist. Regulation of great industrial enterprises might properly enough be committed to a government administered with strict integrity and economy by capable and broad-minded business men. But if we handed them over to present rulers, we must expect to see enterprises undertaken as our river and harbor improvements, public buildings and post-route extensions are now undertaken—too often not because they will repay their cost—not because the public interest calls for them—but because some politician with a strong "pull" is able to force them through. We must expect to see the choice of men to conduct those enterprises made on similar grounds. The idea can be regarded as practicable only when business principles shall have taken a firmer hold upon the conduct of our government than they yet have; when business methods shall govern public improvements and shall not be forgotten even in the allotment of pensions; when the business rule of assigning places according to fitness is as firmly fixed as our republican system of government, and when the demands of what is known as "civil service reform" shall be accepted as an unquestioned matter of course. Government of, by and for the people is a glorious thing, as we all confess, but it needs to pass through a further probation before it can be trusted with direct charge of industries.

But there are a good many things that the government can do for us indirectly, and one of them is to break up the condition under which the evils of which we complain have their rankest growth—that of secrecy.

Legislation can be used to let in the light; to show truth where now is error and confusion. It may attach conditions to the corporation which it creates; among those that have been recommended are that the books of stock companies shall be open to inspection, and that no such company shall be admitted to corporate privileges on its own valuation of its stock—official valuation being made an indispensable condition.

Publicity would be one remedy for the pernicious evil of watered capital; another remedy, not insurmountably difficult to apply, would be taxation. A tax based on nominal capital might

easily have some effect to prevent that capital from being exaggerated. It would have a greater effect in that way, if the amount of capital actually paid in were deducted from the assessment, so that the tax-burden might be borne by the water alone. Graduated taxation has also been suggested; the effect of this would be to discourage consolidation in very large aggregations, since the same money invested in one capital stock would be liable to higher tax than if divided among many. THE CONSERVATIVE does not undertake to say which of these proposed plans would be best. Taxation is a complicated matter, and a theoretically bad tax that can be collected certainly and equally is to be preferred to a theoretically better tax that cannot be collected: In considering what would practically prove the best way to tax corporations, we must have at command all human experience of taxation, and at the same time, not leave out of view the hundreds of expedients by which the corporations may creep out of paying.

Would it not be possible, it may now be asked, to disarm the trusts by taking off taxes that help to create the monopoly on which inordinate profits depend, and so control them more effectually than by imposing taxes upon them? The tax they might perhaps evade, but there is no dodging a removal of the tax now levied upon the people for the benefit of the trusts. Monopoly, brought about by Nature, or favoritism, or force, is the condition which the trust most earnestly seeks to secure, and the enjoyment of which gives it most power over the community. Deprive it of monopoly and we disarm it—there is little use in trying to fight it any other way. And yet the tariff law seems in certain of its provisions as though deliberately calculated to give trusts every advantage. It imposes taxes on commodities entering the country from outside, and thus renders it easy for any organization that may acquire control over the supply of those commodities within the country to enjoy a substantial monopoly, increase the profits of production and rate its capital stock at an inflated valuation. The monopoly, partly assured by favoring tax-laws, is rendered complete by force—rivals being suppressed by the combination through what are virtually acts of war. Thus comes about the alliance of tariff and trusts. This alliance it is that is driving so many people, from different parts of the country and from the ranks of different political parties, to advocate tariff modifications as the proper cure for the trust evil.

In the inner circle of Colonel Bryan's adherents, it has been accepted as party orthodoxy to leave the tariff alone and strain every nerve to overcome "the money power:" while, on the other hand, some of the most earnest appeals

for reduction of duties on articles controlled by trusts have come from stern unbending republicans. Though advocates of protective duties on other products of industry, they argue, not without reason, that the application of such duties to increase the cost of trust-controlled products must tend to discredit protective duties altogether.

In the ten months ending with April last, the country exported \$276,000,000 worth of manufactures, nearly 18% more than the corresponding ten months of 1897 and 1898. This amount, considerably exceeding that of our imports of manufactured goods for the same period, conclusively proves that we have nothing to fear from foreign manufactures. Yet a duty is still demanded on these very products, and why? Not for revenue, because the government gets no revenue from such duties, but to enable the combinations that monopolize their production to exact higher prices in this country than they can obtain abroad, and for no other reason.

The Sugar Trust, with its rebates to encourage exportation, and its high protective duty to keep up the price of its product within the country, thus favored by the law in two directions; the Steel Rail combine, which sends its product to all quarters of the globe (one mill recently shipping 70,000 tons of rails for the North China railway) and puts them down at the very doors of the British shops, while at the same time a Boston company finds it cheaper to get rails from England and pay the duty than to buy at the terms allowed at home; the Tin Plate monopoly, special and particular favorite of protective legislation, now empowered to exact whatever prices it thinks the public able to bear; these and many other associations, all profiting handsomely by legislative favoritism, tempt us to appeal to the law, not to lay its hand upon them in any way directly, but only to lift from us the hand with which it holds us down in order to give the monopolies advantage.

The officers of a prominent manufacturing company in Wisconsin, convinced that the high duties of our present tariff law were provoking retaliation on the part of more than one country of continental Europe, where it would be advantageous to sell machinery, sent out a circular letter a few weeks ago to manufacturers throughout the United States. In this circular the opinion was plainly expressed that this country had passed the need of protection in machine construction, and that the tariff thereon ought to be greatly lowered or abolished altogether; the views of correspondents on the subject being also solicited. By the kind permission of the authors of the circular we have read a