

THE TRUST GOBLIN.

Mr. James B. Dill, of New York on the 9th of November, 1901, addressed the Merchants Club of Chicago, on the subject of trusts. He said, "A trust is a dominant combination of money, property, business, or commercial power or energy" and that

"The form of the union is unimportant. It may be an association, incorporated or otherwise; it may be a single individual or a partnership. The essential element of the combination is the purpose to dominate, and this domination is the tendency which has created the most apprehension.

New Reading of Charters.

"If the charter of every prominent combination of capital or dominant company expressed the real intent of the organization, instead of reading 'to manufacture, transport, and market' the particular product in question, it would state as the purpose of the company 'to dominate in the manufacturing, to dominate in the transportation,' and what is quite as important, 'to dominate in the market' of the product.

"The same tendency and intent to dominate is signified by the names of the organizations, 'United States,' 'Colonial,' 'Federal,' and finally 'National' and even 'International.' All of this, both of structure and of name, indicates a purpose on the part of the organization to dominate in the markets of the world.

"It is not the combination in itself that is vicious, but it is the methods employed by some corporations in the attempt to dominate which create the tendencies which are dangerous."

Part of Nation's Growth.

Analyzing the situation today, he said: "A man but wastes time to argue as a theory that the movement for the consolidation of business, of money, of force, and of energy of any kind is anything but an accomplished fact.

"Recognizing that the combination and the consolidation of capital is a force, we spend no time in asking why it is here further than to say that it is a part of the growth and expansion of the American nation. It is essentially a part of the aggressive American policy of commercial supremacy, and as this country expands it requires its financial and commercial foundation to be strengthened in order to compete with other nations.

"The tendency towards centralization is seen in financial life. The great banks are becoming greater, and are establishing branches in all directions through a stock control of smaller banks or otherwise.

"One might be charged with lack of conservatism should he suggest the possibility of the establishment of a great, perhaps governmental bank, which

shall act as governor and regulator of the great financial machinery of this country. Is the anticipating payment of bonds or otherwise by the Treasurer of the United States more than a mere temporary expedient on the part of the government to steady the finances of this country to prevent panics?

"Carrying this proposition to its logical extent, and having in mind the history of the great Bank of England, who is prepared to deny if and when this country becomes the great finance and credit power of the world the trend of affairs, if not the result, will be toward the establishment of one great controlling financial institution, certainly under the United States law, and perhaps controlled by the United States government?

Control Trusts for Good.

"The history of the trust movement is not unlike that of the development of electricity. Half a century ago every habitation bristled with lightning rods in an endeavor to avert and turn away electricity, a force known best from its dangerous tendencies. But today the modern house is not equipped with instruments to divert the electricity, but is wired to receive and utilize the electric current. The difference is not only that the force is better understood but it is under control.

"The generation of yesterday paid money to the lightning rod man to keep electricity out of the house. They feared the flash and the crash. But today we pay the electric company to create and store electricity and deliver it through wires into the house for the purpose of light, heat, power, and communication.

"While we convey electricity into our homes, offices, and manufactories, yet that electricity is never so conveyed until the conductor is insulated, so that the whole force is utilized, the danger is minimized.

"The great question today is not how combinations may be stopped, but rather how they may be utilized and controlled for the best good of the country."

Two Classes of Dangers.

The dangers of the trust movement Mr. Dill divided into two classes: First, dangers to the combinations, and second, dangers from the combinations to the public—subjective and objective dangers. Speaking of the dangers to the corporations he said:

"The tendency of the great corporations is to become in a measure callous to public opinion, an error it may be on the part of the corporation, but unfortunate so far as the public at large is concerned.

"This indifference to public opinion and legislation is to a certain extent due to the fact that from the corporate standpoint many of the criticisms passed

upon corporations and much of the anti-corporation legislation is based upon a lack of understanding of the situation.

"Many of the attacks upon combinations have been aimed at the suppression of the movement rather than to the elucidation of the subject, and the utilization of the force. Such attacks, legislative or otherwise, while dangerous to the combinations, react strongly against the public. This element of danger to the combination is itself in turn productive of a danger from the combination to the public itself.

"The tendency of industrial corporations to enter the field of legislation and thence into politics is perhaps the most imminent danger from the combination to the public.

"Unwise legislation against industrial combinations invites and sometimes forces the industrial movement to enter into the field of legislative competition. The combination is thus brought into the field of legislative competition, and when once in that field it sometimes learns that it can not only defeat anti-corporate measures in the usual way but that it can procure pro-corporate legislation.

"Ill-advised popular clamor resulting likewise in unwise and ill-advised legislation always tends to force combinations of capital, which should otherwise devote their attention to commercial matters into the great field of legislative competition and ultimately and as a logical result, into politics.

"Any attempt on the part of these industrial organizations to enter, voluntarily or otherwise, into the field of legislation is a tendency which is to be regarded with grave apprehension."

As to speculation by officers of corporations in their own securities, Mr. Dill said:

"Conceding, if you please, that a daily and public market for industrial securities is a necessity for their success as a popular investment, yet, if it be true that in the private offices of any official of the great combinations one finds not only a business desk but a stock exchange ticker, separated only by a wheel chair, the business desk and the stock exchange ticker being equally accessible, and perhaps equally used by the official, one must view this situation with apprehension.

"That combination which is governed, which is controlled, through its management for the purpose of advancing or depressing the price of its securities on the market is run on a principle other than that of a commercial enterprise and must ultimately land where it belongs—in the gutter.

"Some combinations have been properly called blind pools, into which the public go, if not under misrepresentations at least with understandings, express or implied which are as a rule not justified by the results.

"The formation of these blind pools