

EFFECTS OF TRUSTS ON THE PUBLIC.

To cheapen production is an object of economic polity, but if the cost of it is reduced it should be for the benefit of the consumer. To cheapen production and still charge high prices is merely to confer all the benefits of cheapness upon the producer, and throw into the hands of a few stockholders as wealth that which should have been distributed over the whole mass of the people in lowered market prices.

It has been urged that one advantage of trusts is the large diffusion of stock over a multitude of investors, and consequently the wide dispersion of dividends. On the other hand, it is certain that the bulk of such stock is always held by a few individuals, although there may be a large number of minority holders; by far the largest share of the money goes to the heavy stockholders who control affairs, and who also probably obtained their large holdings without due equivalent in purchase or transfer. The Steel Trust claims that it has diffused its stock largely among its own employees, but workmen are suspicious of "the Greeks and those bearing presents," and question if this has not been done to prevent strikes and labour disputes, as a workman is chary of injuring an association in which he himself is a shareholder. The same argument applies to the "paternalism" of providing workmen's dwellings, which are found to be but ties binding the worker more tightly to the corporation for which he works and on whose land his family has to live.

There are other aspects than the industrial or commercial which should be taken into consideration when treating of the good or evil effects of trusts—for example, the position of the workers, and the effect on national character. The advocates of trusts point to the expansion of employment and steadiness of occupation offered to the servants of great corporations as being undoubted gains to the workers, but these claims are met by passionate denial.

Judge Grossepup, on the 18th February, 1903, gave a decision against the Meat Trust, and among some of the charges he considered as proved, being "in restraint of trade" between States, were: The combining firms had forced down live-stock prices by agreeing to refrain from bidding against each other in the market; they had regulated selling-prices; they had bid up the prices of cattle to stimulate shipment; they had limited the quantity of meat shipped to agents. Whether such practices are harmful in themselves or not, the result seems to have been that the profits of the Meat Trust in 1901 amounted to nearly \$100,000,000 more than in 1900, while the price of meat to the public increased by 3 to 5 cents. This is an example how a combination can affect the price of commodities. Wages, however, do not rise in the proportion the price of commodities can be made to do. 250,000 organized workmen of New York received between the years 1897 and 1901 a total advance in wages of 7 per cent. (to be exact, 7·4 per cent.: see "State Bureau of Labour Statistics"). The prices of commodities rose from July, 1897, to July, 1901, about 27 per cent. ("Dunn's Review"). From the 2nd January, 1902, to the 2nd January, 1903, the price of beef rose 40 per cent., thanks to the Meat Trust (these figures are those of the Treasury Department). So that labour was powerless to increase its wages as capital had increased the price of commodities. Moreover, ground-rents near the great cities rise year by year, and the workman has to pay an increasing tax to landlords without an increase in value received, to the further depreciation of the apparent advance in wages.

It is pleaded by those in favour of trusts that some of their economic advantages consist in "the elimination of unnecessary persons, unnecessary processes, and unnecessary things in the production and distribution of goods." Processes and things which are unnecessary may doubtless be eliminated without protest from any one, but as to the elimination of unnecessary persons, perhaps they and their families may have a different opinion of value from that of the official dispensing with them; they may even consider that they have as much right to existence as the multi-millionaire, and of an aristocracy based on watered stock. Speaking of the millionaire, Mr. H. Demarest Lloyd wrote in May, 1902:—

In Chicago, in the centre of the most fruitful region on earth, and in the most prosperous year ever known, last year child-labour increased 89 per cent. He (the millionaire) used in his factories 139 children for fuel for what he calls industry for every one hundred he used the year before. He creates "wealth," but it is the ransom that people must pay to escape from the scarcities he contrives. His greatest strokes are to lock out the people from the wealths of nature, and then charge them for readmission such fees in rents and fares and other prices as "the traffic will bear."

In many ways besides the general inflation of prices of goods, increase of child-labour, and absence of choice of masters, does the worker suffer by corporate influence. To mention two small directions of oppressive conditions, we will refer to accident compensation and the black list. In the States, which have no legislation on the lines of the Workers' Compensation Acts of England, New Zealand, &c., the worker has to sue for compensation under an Employers' Liability Act that shelters the employer under the old plea of "common employment." In a huge corporation, covering large extent of territory, with a numerous staff of officials and an army of workmen (one railway combination employs a hundred thousand men), it is almost impossible to get from under the plea of "common employment" in case of accident. A man can receive no orders except from a fellow employee, however high that fellow-employee's station; and to get away from the territory inhabited by fellow-employees he would have to go a thousand miles. Therefore the corporation is not liable to pay compensation for accident; it was always the fault of a fellow-employee. In regard to the black list, it is asserted that it is often vindictively and almost always heartlessly used. Under the old *régime* it was possible on discharge to find another employer, but under combination the employing body is a solid block of resistance, and in case of a worker offending his boss and being discharged, his name is black-listed in every department of the vast combination. If he does not change his name and disguise himself there is no remedy but leaving that part of the country for ever. Governor Thomas, of Colorado, speaking on the subject of veto for repeal of an anti-boycott clause in a bill, said:—