

brilliant strategy a controlling interest in the Pennsylvania Coal Company was secured by the Erie Railroad. By having at once the control of the material and its transportation the giant monopoly was enabled to commence its prosperous existence.

Other trusts are, however, greatly dependent on a highly protective tariff. So widely has the knowledge of this fact obtained credence that the saying "The tariff is the mother of trusts" is a modern proverb. It is impossible to deny that in the United States the tariff gives the beneficiaries of it a monopoly to the extent that their foreign competitors must pay the cost of production abroad, the freight, and the tariff duty before they can enter into competition. In the first year of business of the Steel Trust its tariff benefits amounted to \$72,600,000. This sum equalled two-thirds of its first year's profits, so that taxes amounting to over \$70,000,000 a year had to be placed on other industries; or, to put it another way, the revenue lost \$70,000,000 of duty in the year in order to build up the dividends of the Steel Trust; the average tariff paid on articles controlled by the trust being about 50 per cent.

If, however, a trust has not monopolized the entire trade of the country so far as the particular commodity in which it deals is concerned, and if such a trust still has competitors, it is doubtful whether putting the commodity in question on the free list of the tariff would not do more harm than good. In the flood of imports produced by cheap labour in foreign lands, the small competitors of the trust might be swept away and the stronger trust be left to survive. Moreover, it seems unfair and unreasonable to forbid trust-made goods to be sold to the inhabitants of a country and then permit those goods made by trusts abroad to be freely imported and circulated.

Perhaps the accusation against trusts that has most foundation is that they export goods to be sold abroad at lower rates than are charged for the same articles in the country of their production. This is sometimes faintly denied, but is more often boldly acknowledged and justified, by the officials of trust corporations. The assailants of trusts declare that the charge is proved by the export-lists, and that the prices charged are somewhat as follows for articles made or produced in America:—

	In America.	In Foreign Lands.
	\$	\$
Wire nails	2·05 per 100 lb.	1·30
Galvanised-wire rope	9·70 per 100 ft.	3·12
Table-knives	15·00 a gross	12·00
Farm wagon	65·00	39·00
Sewing-machine	45·00	27·00
Steel rails... ..	28·00 a ton	23·00
Lead	4·00 per 100 lb.	2·00
Shovels	7·50	5·80
Washboards	3·00	1·70
Tinplate	4·19 per 100 lb.	3·19
Typewriters	100·00	55·0
Lawn-mowers	4·25	2·75
Borax	8 cents	2½ cents

Mr. Charles Thulin, a Pennsylvania contractor, recently (in 1901) secured a contract to supply rails for Russia's great Siberian railway. He asked the leading steel-trust companies here for bids. They all asked him about \$35 per ton with freight to be added. Mr. Thulin went over to England, sublet his contract to an English firm, and one of the same companies that had asked him \$35 *plus* freight here sold the rails at \$24 a ton, delivered in England to the English subcontractor. . . . After having investigated this subject for more than ten years I have reached the conclusion that practically all of our manufactured products are sold to foreigners for less than to Americans. The minimum difference is about 10 per cent. The average difference in price is probably 20 per cent., and on our really protected products above 25 per cent.—(Hon. J. B. CROWLEY, House of Representatives, 14th January, 1903. C.R., 19th January, 1903, p. 965.)

It may appeal to some, but probably few, that trade shrewdness and greed warranted the beef combination in raising prices to our poor beyond reason, while they sold to the poor of other countries three thousand miles away at 25 per cent. less. That the Oil Trust is justified in putting up the price of that article of universal need several cents a gallon to the consumer, mostly the working-classes, and at a time when its consumption is enormous by reason of the unfortunate coal situation and the inability of our poor to secure their usual supply, which has forced them to use oil-stoves largely to heat their homes; and, if statements are true, this has resulted in a trust already paying dividends of over 40 per cent. adding many millions to its profits, wrung from those to whom every nickel is a consideration. No one believes that the extra cost of the crude oil has warranted or justified these advances; and it is a well-established fact that the Standard pack the same oil or a better grade (as many foreign nations protect their people against explosions by regulating the test of the oil that can be imported) in tins, then in cases, pay the freight, insurance, landing and cartage charges, necessary commission, and sell it to the heathen at the other end of the world at from 20 to 30 per cent. less than at home.—(Hon. W. H. DOUGLAS, House of Representatives, 6th February, 1903. C.R., 13th February, 1903, p. 2233.)

The export price of kerosene-oil on the 26th January, 1903, was 5·65 cents per gallon; the price quoted for kerosene in bulk to the American trade was 10·5 cents per gallon. There is little doubt that many of these trusts paying large dividends do so by means of or by help of heavy protective duties, thus: The Oil Trust, protected by an average of 17 per cent., pays dividends of 40 per cent.; the Window-glass Trust protected by an average of 59 per cent., pays dividends of 15 per cent.; the Sugar Trust, protected by an average of 85 per cent., pays dividends of 17 per cent.; and the Cement Trust, protected by an average of 23 per cent., pays dividends of 33 per cent. On the other hand, the trust uses the argument adduced (further on) by Continental combinations as to their being justified in selling abroad more cheaply than at home; it is a way of disposing of surplus stocks not to be absorbed by the home market, and of keeping mills running and hands employed, when if dependent entirely on domestic trade the production would be intermittent and prices fluctuate enormously. It should also in fairness be noticed that though some of the largest of the trusts are accused of thus discriminating in home and foreign prices, and acknowledge the fact, the greater number of trusts declare that they have one set of prices only for domestic and foreign markets.