

It is not easy for persons born in Great Britain or its colonies to understand with what fury many of the trusts are assailed in the United States. Doubtless to those whose lives are influenced to failure and ruin by great combinations of capital it appears hard to refrain from speaking in heated language concerning them. Not only from the mouths of private citizens, however, but from the responsible utterances of members of Congress, can be gathered some conception of the hatred and loathing felt for the methods and actions of the trusts.

Surely if a trust is a criminal organization, and the law so denounces it, then the promoters of these combinations are criminals, and should be so regarded and treated. If the Standard Oil Company is a monopoly, and it has been so pronounced by the Courts of the land, then John D. Rockefeller is a criminal, and should be dealt with as such, and treated as such. If the United States Steel Corporation, capitalised at the modest sum of \$1,389,339,956 is a trust—and who will doubt this?—then this trust corporation is a criminal conspiracy against the trade and commerce of the country, and Mr. Carnegie, Frick, Schwab, and other promoters of the criminal organization are criminals, and should be treated and dealt with as other criminals are.—(The Hon. W. T. ZENOR, House of Representatives, Washington, 5th February, 1903.)

This coal trust is arrogant, audacious, greedy, selfish, and corrupt to the core. It knows no law except that of self-interest. It sets in open defiance all rightly constituted authority. It ruthlessly throws all established and honourable standards to the ground. It steals not merely men's property without any compunctions of conscience, but it destroys and murders their most sacred rights. . . . It is thoroughly law-defying, anarchistic in its bold manipulations. It exercises its power with the arbitrariness of a despot.—(The Hon. F. J. KERN, House of Representatives, 14th January, 1903.)

I denounce, along with this Court and the great mass of the people of the United States, all trusts, monopolies, corporations, or other concerns which or person who directly restrain State, inter-State, or foreign commerce. Such business is outlawed by the wish and for the welfare of the people, and for the preservation of the purposes of government.—(The Hon. J. W. GARRIES, House of Representatives, 31st January, 1903.)

Such accusations as these of anarchism, corruption, theft, conspiracy to defraud, outlawry, &c., made against men whose names are world-famous as leaders of industrial enterprise, deserve grave consideration. They have received very grave consideration before the Congress whose session has just terminated, and it is necessary in the interests of the diffusion of knowledge to repeat some of the information brought to light during the process of legislation. It is only fair to present some of the arguments used for and against the trusts, so we will first turn to the advantages they are said to promote.

ADVANTAGES OF TRUSTS.

The great enterprises which have legitimately reduced the cost of production, and have won a place for American enterprises in the international industrial world, should not be strangled by adverse legislation, but only controlled by national regulation. To strike down industrial or commercial combinations, with the result of closing factories and mines, and turning workers by thousands into the streets, would be a calamity whose extent could hardly be imagined.

The trusts are not a cancer in the body politic; they are not an excrescence on the body politic; they are a part of the vital principle of the body politic. They need to be properly regulated and watched and controlled, just the same as any vital organ of the body needs to be; but, in like manner, they need to be guarded from violent injury.—(The Hon. E. MORRELL, House of Representatives, Washington, 7th February, 1903.)

It would have been impossible to bring to life and nourish the foreign trade of the United States had business been restrained to the old system of small competing firms and corporations. Under the new order of concentration of capital contracts have been made which allowed one concern to equip a whole railroad, building its bridges, laying its rails, furnishing its rolling-stock, the orders being filled in less time than was ever before known in the industrial world. So vast has been the increase of production that the railways have not been able to furnish transportation to convey it. At Pittsburg a short time ago there were on side tracks, awaiting power to move them, seventy miles of cars, mostly loaded with iron, steel, and machinery which were being shipped to fill orders. Had trusts greatly advanced prices of commodities, competition would soon have been evolved to curb their powers of taxing the people unjustly; but, so far from that being the case, it remains a matter of wonder to observe how some highly finished products could have been turned out at so low a price. It is an unfair accusation that in many cases the trusts are over-capitalised. Such arguments are supported only by the assertions that the actual tangible value of their properties is less than the nominal value of stock issued. But the inventory of buildings, plants, estates, &c., of a company is not a criterion of its value. Who would calculate the value of a telegraph company's assets by computing the selling-value of its poles, wires, and instruments? The value of a corporation is more fairly estimated on the earning-power of its productive capacity; and, if a plant is earning dividends at the rate of 20 or 30 per cent., the value of that plant to its owners is better calculated by a capitalisation of its earning-power than by estimating the selling-price of the plant itself.

As to the objection that many trusts have raised enormous sums by bonds (or mortgages of assets), and that these sums have been added to the already "watered" stock till fraudulent over-capitalisation has been achieved and the public deluded thereby, the answer is that the public have nothing to do with the matter. If banks and other financial institutions choose to make large advances to a corporation in order to aid its enterprises, and if proper security is given for such advances, the general public have nothing to do with the matter; it is entirely between the executive of the corporation, the stockholders, and the financial institutions lending the money. Neither the nation nor private individuals have the slightest right to interfere.

One great advantage pertaining to trusts is the distribution of their earnings to a large number of shareholders. It is probable that while not more than three thousand individuals shared the dividends of the concerns which were afterwards amalgamated into the Steel Trust, the present ownership is divided among fifty-five thousand stockholders. The Sugar Trust has about thirty-two thousand stockholders, and almost every other American trust has a widely distributed ownership of its shares and bonds.

The position attained by trusts should be a source of national pride and not of legislative attack. They have wrought dismay on the Continent of Europe and in Great Britain by introducing giant forces undreamed of before into commercial life, and they alone have enabled the United States to capture the trade formerly divided among foreign nations. Their universal dominion can best be exemplified by a single example. The Consolidated Tobacco Company, incor-