

get a bit mad when we pounded him 'tween the shoulders to bring his breath back. He went to bed laughin', an' nex' mornin' he still had a smile on his face.

"Well, as I said afore, that was the savin' of Von Strallin'. Somethin' inside him that must 'a been drawed too tight seemed to loosen up, an' he turned out a good 'nough kind of chap, though he never got real sociable an' he staid uncom-

promisin'ly sober to the last. He wouldn't make friends with the best Injun or half-breed on the river, but he'd always shake hands with Jim Orfield, the wust that ever lived, 'cause, he said, Von Strallin' did, as how Jim was one of his own kind, havin' proved the fact plain as could be. I guess, too, Von Strallin' knew, like the rest of us, that it was Jim's comical, drunken impudence saved him from goin' plum locoed."

A COMMONSENSE VIEW OF TRUSTS.

By J. OLIVIER CURWOOD, B. A., B. PH.



Finding the newspaper discussion of the subject of trusts singularly devoid of discussion on the conservative side, Mr. J. Olivier Curwood of the Detroit Evening News Association, has been induced to take up the line of argument given in this article. He declares that "most of the matter printed concerning trusts has been for political purposes, or that economists have treated them from their own standpoint, obviously overlooking the good points on the other side of the question."

Mr. Curwood has made a special study of economics; he also gave up more than a year to the study of the race question, visiting every Southern State East of the Mississippi, gathering material for a book on this phase of economics. The Canadian Government is contemplating sending him through the Northwest to write up the conditions found there. EDITOR.

IN view of the fact that the question of trusts promises to be an interesting factor in the political campaigns of the very near future, it is almost comic to look back through the newspaper comment of the past two years and pick out the endless variety of theories and "facts" available for use by the orators of any and all parties in the furtherance of their coming political ends. Perhaps no question has

been more discussed by the American public than trusts, and as singular as it may appear, none has received more unfair treatment. All public discussions have been made with a political purpose, and have either been rabidly antagonistic or mildly favorable. That there are two sides to every question has been quietly ignored.

To one who takes an unprejudiced view of the subject it must be ac-

cepted from the start that while now the Trust is apparently safe against attacks both from without and from within, its permanence is not fully assured. It may prove a failure economically, and so its promoters may ultimately have no desire for its continued existence. What are the probabilities on this point? Does the Trust promise to be a large and permanent element in our industrial life?

Evidently most people incline to answer this question in the affirmative, and their forebodings as to the consequences are very great. Probably these forebodings are greatly exaggerated. All experience shows that the consequences of great social changes are less far-reaching than either their friends or their enemies usually anticipated. But it must be admitted that even experts are in this case inclined to the opinion that the trust has come to stay.

Assuming this, then, what shall we say of the consequences to follow? In the minds of both friends and enemies these seem very large. In recent newspaper comment, especially in those which are friendly to unionism, much stress has been placed on the throwing of people out of employment, which is an incident to the organization of trusts. Frequently presented as an evil consequence of trusts, it hardly need be said that this is one of their greatest advantages. Doubtless any industrial change which throws people out of employment is immediately to them a loss, while throwing people out of employment by making their services unnecessary is merely insuring that the sum-total of the public's wants shall be satisfied at a smaller cost. But in the face of this reduction of cost, the trust is charged with the evil of maintaining outrageously high prices. A black picture has been painted by its enemies. It is bound to take the nation by the throat and treat it as

a highway robber treats his victim. Unable to get our supplies from any other source, we shall have to pay the trust prices, however oppressive.

This picture is doubtless far too dark to correspond with the facts. In the first place, we would probably be able in most cases to take refuge in the use of substitutes. The gas monopoly, the electric monopoly, find competitors in each other, as well as in new inventions, like acetylene gas, or old friends, like kerosene. Still further, any one trust, if it push its advantage too far, will immediately stimulate competition of allied trusts. For example, there are several different industries working with iron and steel, any one of which can produce bicycles. In consequence a bicycle trust could never press its advantage very far without developing the competition of the sewing-machine trust or the reaper trust, or some other steel machine trust. Again, in the majority of cases, the success of a trust in maintaining monopoly depends on its producing on so large a scale that it can afford to sell at prices too low to be profitable for factories which work on any smaller scale. The maintenance of such a monopoly into the very distant future, therefore, depends on the continued maintenance of low prices.

On the other hand, there cannot help from being certain advantages arising from the trust. Great consolidation saves a vast amount in the utilization of materials. The great factory has so much waste of particular sorts that it pays to establish by-industries in order to utilize the waste. Again, it carries out in the completest way the principle of geographical specialization. The school furniture trust, for example, will not call upon the Boston factory to furnish a school-building in Omaha, but will rather give the order to the particular plant that is nearest to the point, thus insur-

ing a saving in transportation. Then again there is a great saving in duplication. If there are four or five book corporations, or many different furniture companies, wishing to place an order in a particular school, each one will have to have one or more men on the ground for several days canvassing the school board, spending their money freely, perhaps illegitimately; while if one great trust monopolizes the business one agent does it all in much less time and with much less expenditure.

Of course all of this is of no advantage to society unless the persons interested in the exploiting of the trust in some way share with consumers the gain due to diminished expenditures. That they are now compelled to do this in some measure is true. That they ought to do it more, and perhaps will be compelled to by some modification of existing laws, is very probable. One other advantage which the friends of the trust have promised with some show of reason is a greater freedom from industrial storms, from panics and depressions. Unrestricted competition is wasteful, and it is also dangerous to quiet, orderly progress. Man naturally has his ups and downs, his over-sanguine and then his over-pessimistic moods. These defects of our nature are undoubtedly exaggerated under a regime of competition. In a crisis there is no unity of action. It is "each man for himself," without regard for the consequences to the public at large. Gigantic combinations, especially if these are complete, naturally enough move on more steadily. They can afford to do this. They do not need to strive for larger profits during the era of prosperity; on the other hand, they need not indulge in great anxiety when depression comes. If they do not press their advantage too far, they are sure of customers in

any case. Competition is shut out. Therefore it is believed that the industrial cyclone would be much less likely in an industrial society that was largely administered by trusts, and if this should prove to be the case, and no great evils should come in as an offset, an undoubted advantage would certainly be gained.

An industrial manifestation of so very notable a sort is bound to bring forth the question: What should be done about it?

This will be asked with most earnestness by those who believe that the trust has come to stay, and that its evils far outweigh its advantages. But even those who take a more hopeful view will admit that those changes which it introduces into industrial society promise to be extremely momentous and possibly very evil. The answers to this question are naturally very different. Some people do not hesitate to say that nothing need be done about it, that the trust will take care of itself. This conclusion is natural enough for those who look on industrial consolidation as a purely temporary phenomenon growing out of temporary conditions and destined to pass away as have so many others before it. This position is perhaps equally natural for those who believe that trusts are on the whole beneficent, and that such abuses as appear in their earlier history "will gradually right themselves.

A very different class of persons reaches much the same conclusion, though from quite different premises. Thorough-going socialists, who desire nothing so much as that all industry should be organized into a single trust under the management of the State, naturally welcome the process of consolidation among warring industries as a step toward their Utopia. One after another, they say, the industries of the country will be organized into

trusts, and these trusts in turn will be consolidated, until all industrial activity is united in one universal monopoly, whereupon the State will take possession of this single trust and the socialistic goal will have been attained. Even some who are very much opposed to socialism seem to fear that the evolution of things anticipated by the socialists is being wrought out through the trusts. It is pretty safe to say, however, that the hopes of the one and the fears of the other are alike chimerical.

Complete industrial centralization is perhaps as near as the millennium, but no nearer. Certainly none of us will live to test the correctness of the prediction.

The proscription, then, of those who favor letting the trust movement entirely alone, is probably not likely to be accepted. At the opposite extreme are those who desire by severely prohibitive processes absolutely to destroy the trust. This party has been powerful in the past and has triumphed in national and State legislation to a more or less degree. It is a method of treatment largely favored by some conservative elements in society. The traditions of common and statute laws are so sharply against all semblances of monopoly that the courts and lawyers have been generally arrayed against these institutions. This remedy, however, is also chimerical.

The movement toward consolidation is a rational one. It has behind it the elemental forces of nature. It is bound to triumph over artificial restrictions; in one way or another to evade any prohibitions which might be put upon it. Already it is probable, as we have seen, that all possible legal difficulties have been met by the organization of the consolidation corporations.

Thus the do-nothing policy and the do-everything policy are alike shut out. The other alternative is

to recognize the legitimacy of the trust and gradually work out a system of regulation which shall ensure the sharing of the benefits incident to its institution among the public generally. That such regulation is inevitable hardly needs argument. Precedents have been established from time immemorial that industrial corporations which from any cause take upon themselves a monopolistic character shall be looked upon as quasi-public institutions, and as such shall submit to regulations both by legislative action and through public commissions. Doubtless there will always be some protest from the classes interfered with, some plea to the time-worn plea of liberty, the right of each man to do what he will with his own, or the wisdom of the laissez-faire policy. But none of these have availed in the past, and none will in the future. The setting up of the boggy of socialism will be equally powerless. The fear that, because the State undertakes to do something which it did not do yesterday, it is therefore bound to land in socialism, is either a mere pretense or very silly.

All social action involves the balancing of opposing forces. No principle ever is, or ever ought to be, carried out with logical consistency. Life is a perpetual compromise. In the actual world no difficulty is experienced in finding reasons for distinguishing two cases—for treating one social institution on one plan and others on quite different plans. To trusts we doubtless shall apply some scheme of regulation.

Just what form such regulation of trusts will take it is hardly possible or safe to predict. As in any other concrete problem, the solution will have to be worked out slowly and patiently. It is probable that, first, a fairly sharp distinction will be made between those industrial institutions which may be left to the ordinary forces of com-

petition and those which need regulation. These latter, again, will likely fall into two classes. A few thoroughly consolidated industrial interests will probably be brought under the direct control of the public, just as the United States post-office now is.

The remainder will then be left in the hands of private individuals, but will be subjected to sharp regulation under the administration of commissions, with such degree of publicity in accounting as shall ensure the safeguarding of the rights and interests of the public.

MEN AND WOMEN

POPE LEO XIII—The Man.

ONE of Thackeray's most famous caricatures is of King Louis Phillipe. There are three pictures: In the first the king is represented in his royal robes. It bears the superscription: "King Louis Phillipe." In the second there are the royal robes, but no man wearing them. It is entitled "The King." In the third is a decrepit old man scarcely able to stand. It is labeled "Louis Phillipe." There is a world of truth in the idea suggested that the office very frequently makes the man; and that most men who are called upon to rule their fellow men owe their greatness to their position and not to themselves.

Leo XIII was one of the exceptions that only prove the rule. He was greater than his office, great as that was. The Papacy is greater and more powerful because Leo was a Pope. Of the 263 Popes before the present one, he was one of the few who, like Gregory XIV and Leo the Great, take first rank. What makes his success the more remarkable is that he had none of those accessories of physical power which usually are necessary adjuncts of political greatness. He was the only Pope in 1200 years who during his entire reign had no temporal power, yet it has been ages since a Pope had more influ-

ence and weight in the councils of nations.

With no very extensive diplomatic career, he proved himself one of the greatest diplomats of the age; with no temporal power he was treated as a reigning monarch by the most powerful monarchs of the day; the head of a religious denomination against which there is more bitter feeling than any in Christendom, he is mourned and eulogized by those most opposed to the principles he represented and the faith he professed and propagated. There is only one explanation of this phenomenon, of these apparent paradoxes, it was the MAN.

If we stop to analyze his character, the reasons of his influence and power, we will find them in himself entirely; in his wonderful foresight, in his grasp of human affairs; in his clear understanding of men and nations, even of those men and those nations whom he had never seen and whose ideas and feelings and sentiments were the furthest removed from those which he had been brought up under as it is possible to conceive.

An aristocrat by birth, breeding and association, he understood fully the feelings, ambitions, wants and requirements of the working classes. An Italian who never saw America,