

BREAKING THE TRUSTS.

The attack by the United States government on the various trusts, the latest being the United States Steel Corporation, appears to be political stage play. The suit against that company asks for its dissolution and for that of its constituent companies, which, says the government petitioner, "monopolizes a part of commerce." Direct connection is charged by the government, between the Steel Corporation and all of the large railroads and steamship lines, the Standard Oil Company, Pullman Company, International Harvester Company and the Western Union Telegraph Company. The interlocking of directorates is said to have given the Steel Corporation control over trade and commerce and the Steel Corporation's acquisition of Tennessee Iron and Coal properties, in which it is alleged President Roosevelt was misled when he permitted the absorption, is declared to be an illegal and a national menace.

In 1900, most of the crude steel production of the United States was in the hands of three companies, each of which had close business relations with other concerns that manufactured steel in lighter forms. Under the direction of Mr. J. P. Morgan, the United States Steel Corporation was formed, absorbing the three companies in question and a dozen other corporations which had previously been rivals. These corporations had a capitalization of nearly a billion and a half dollars, and though the first capitalization of the trust was only \$1,000,000,000, it is said that it should not have been more than \$400,000,000. The promoters, chief among whom was Morgan, got \$150,000,000 for their services. Andrew Carnegie got nearly \$500,000,000, and one of the points Mr. Morgan may now be asked to clear up is why he and his associates paid Mr. Carnegie nearly \$500,000,000 for a property that he was offered for \$160,000,000 only three years before, and which he then refused on the ground that the price was excessive.

President Taft is trying to break this Steel Trust, practically an impossible task. These trust-breaking campaigns in the United States have a very heroic appearance. That is about all. To dissolve a large industrial combine, alleged to be illegal, without disturbing business is akin to pulling down a skyscraper, alleged to be improperly constructed, without disturbing the immediate neighborhood. In the case of the building, the inspector should have seen that the foundations were laid according to regulation. In the case of the trust, the government should have seen that its charter did not permit what the trust is accused of doing to-day.

President Taft has as much chance to change the business geography of the Steel Trust as he has to remold the physical geography of the United States. The country may be suffering from the operations of industrial combines, but in the majority of cases it is too late for the government to remedy the evils by legislation. The proper moment was when the original charters were granted. The president says he has no desire to disturb business conditions and that if the Steel Trust can prove they did not do this or that, well, everybody will live happily ever after. Surely the people of the United States do not take seriously the amusing spectacle of the government fighting a trust, which can make or unmake governments at will. Canada's lesson from the creation of such a power and the subsequent trust-breaking campaign, is obvious.

The Northern Ontario Trust, Limited, has assets consisting of Porcupine property, house at Porcupine and shares of Achilles Gold Mines, together with an interest in certain claims. Here is a flagrant example of the misuse of the word "trust" in company titles.

SMALL CHANGE.

At the annual meeting of the Consumers' Gas Company, Mr. John L. Blaikie finished his address by quoting what he read a few days ago in one of Sir Walter Scott's novels, "Old men may be permitted to speak long, because they cannot in the course of nature have a long time to speak." Mr. Blaikie cannot label himself an old man, for in Toronto can be seen a son of 72 years taking for an automobile drive his father of 96.

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Mr. H. W. Baker, the efficient and popular publicity expert at Ottawa, is always busy answering the inquiries of manufacturers who look upon the parliamentary city as a suitable location for factories. Mr. Baker is a past-master in the art of letter writing and his inquirers seldom have to write for "information omitted." The publicity man has become a necessary asset in a progressive city. Mr. Baker is a man of ideas and throws original lines for his catches. With proper support from the civic authorities, there should be success at Ottawa.

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It is difficult to see what Toronto will gain from building the proposed tube railways. The population of the city is less than 400,000. Heavy traffic on underground railways is required to pay for the initial investment. If the civic authorities had planned to build a network of subways throughout the municipality, it would have meant direct competition with the street railway. The proposed scheme will serve only a restricted area and will fail to cater to anything like all residing in the outlying sections. In about eleven years Toronto will have an opportunity of taking over the street railway franchise. Then it will have the civic street car lines, the company's system, and possibly tubes. Would not the four million dollars proposed to be expended on tube railways be much better spent in building civic car lines, allowing the Toronto Railway Company to operate them, the city to take over the whole system at the expiration of the company's franchise. There is little use in counteracting street railway grievances by wasting a large sum of money on comparatively useless tubes.

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In discussing the case in which two young bank clerks are charged with embezzlement and attempted arson, Police Magistrate Walker of Winnipeg arraigned the banks as "shops for turning out criminals." He criticized the system which permitted thefts without detection, saying, according to a Canadian press dispatch: "If banks cannot get a system by which these boys can be checked up regularly, the sooner they shut their doors the better for the world. As things are they are simply shops for turning out criminals. The boys are technically the guilty parties, but to my mind the institutions are equally culpable, for it is their negligence which makes possible the crime." Mr. Walker has a considerably exaggerated idea of the situation. He forgets that a dishonest man will deceive, no matter what is the system devised for the employer's protection. The personality of the banker is the most important factor in banking. Embezzlement is not confined to the banking business. Indeed, in view of the millions of dollars handled there, the peculation is comparatively small. In Montreal, a lad in a manufacturing firm to-day stands accused of having taken during five years a sum of \$4,800. That house is no more a shop turning out criminals than is the bank at Winnipeg or elsewhere. A magistrate should use greater discretion than exercised by Mr. Walker. Such a broad and reckless statement as his is extremely harmful.