

protective tariff, it has come to be the 'mother of trusts' and the 'handmaid of monopoly' in various fields of industrial activity."

Another of the provisions of law and phases of public policy which favor and support the tendency to monopoly is found in her patent and copyright legislation, which was intended to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries. Says our contemporary:

"The only laws of the United States which in intent, as well as in effect, confer an absolute power of monopoly for a period of years are those relating to patent rights. These statutes are in substance more than a century old, and every modification or amendment has extended and strengthened the monopoly principle, regardless of radical changes in industrial conditions affected by them. This principle has become a sort of fetich in our patent legislation, because it has been regarded as essential to the primary purpose of securing adequate reward to the inventor of novel and useful devices, processes and products, for the benefit of the community, by encouraging invention and improvement. That purpose is beneficent and just, as well as expedient, and its fulfillment should be amply assured; but the existing law has effected it imperfectly, while it has promoted secondary objects that are in conflict with the primary purpose, depriving the real inventor in a majority of cases of his due reward, checking in many instances rather than encouraging further improvements, depriving the community of the benefit to which it is entitled from the protected invention, and enabling purchasers of the patent to exercise an oppressive monopoly."

There is no longer any dispute as to the advantage of getting capital into large masses and handling it, or the factories it represents, systematically and economically. The principal method by which incorporation is made to serve the purpose of monopoly consists in combining various concerns under a single control or direction by means of an exchange of securities, or by one corporation holding a majority of the shares of several others, or leasing their property. "A consolidation that consists simply in buying up and uniting into one several establishments, which are paid for with actual capital or an enlarged capitalization representing actual value, is unobjectionable, being in effect only a case of large scale incorporation; but when such combinations are brought about through the inducement of inflated capitalization or 'watered stock,' actual capital being borrowed on bonds and shares being used as a bonus, representing no real value received or much less than what purports to be represented, it becomes an evil, because it is only by the exercise of a monopoly power that it can be made profitable. It is the purpose in such cases to exert such a control as will keep prices up in spite of lowered cost, in order to yield profit upon the expanded capitalization. The 'earning power' which is assumed to be represented by the shares that do not represent capital or assets can only be created by suppressing competition, and that is the object of such incorporations." There is, concludes the third of these articles, serious need of a reform of the United States corporation laws which shall prevent the use of the power and privilege of incorporating capital for purposes of monopoly and extortion, for the suppression of competition, the control of production, and the maintenance of excessive prices. "But if one State should enact a model corporation law it could only be

enforced within its own jurisdiction, and it could not prevent the invasion of its territory by the corporations of other States, organized with larger privileges and free from wholesome restriction. If it set up conditions for permitting 'foreign corporations' to do business within its limits which would have the effect of excluding them, it would cut itself off from the wholesome competition of capital and restrain the business intercourse between itself and other States. The evil cannot be successfully combated without a general reform of corporation laws and substantial uniformity in their essential features."

"FRENZIED FINANCE."

Complaint—Confession—Resolving—Threatening—Abuse—Hypocritical Regret—such might be appropriate headings for chapters of Mr. Lawson's cleverly advertised story. Here is what the London Economist has to say about this most recent financial mountebank:—

The American people have a certain reputation for coolheadedness, but that reputation is being somewhat endangered by the action of those investors on the other side who threw their stocks on the market in consequence of the lurid advertisements spread broadcast by Mr. Thomas W. Lawson. Mr. Lawson told people to sell certain stocks, whereupon some of them, at all events, sold, and to this the recent collapse in the American market was largely attributed. In a notice, dated Boston, December 12th, published in a London journal, he now declares: "I am going to strike again, suddenly, sharply, sensationallly, and in a way that will produce effects upon prices and upon markets so much more destructive that the effect and the destruction of last week will appear by comparison as milk to vitriol. My first and only warning will come in the form of a public notice that certain named stocks should be sold the day my advertisement appears. Three days afterwards I will publish why; but with the 'why' it will be too late for holders of stock to save themselves." If this extraordinary rhodomontade succeeds in causing wholesale selling, the Americans will certainly lose any reputation for sobriety of judgment that they may possess, for a man who blindly obeys a big market manipulator, who promises to give him reasons only when it is too late to undo the transaction, possesses no judgment whatever, and is likely soon to possess no cash. If Lawson can induce masses of people to buy and sell on his *ipse dixit*, he will have opportunities of amassing a colossal fortune; but it is scarcely to be credited that the exponent of "frenzied finance" can, even in the United States, succeed more than once with the tactics we have described. Meanwhile, it is certain that the wild fluctuations in prices caused by the operations of financial houses on the one side or the other, will certainly increase the distrust with which American stocks are regarded by investors here, and must inevitably tend to the detriment of legitimate enterprise in the United States.

COMMERCIAL TRAVELLERS' ASSOCIATION MEETING.

By the result of the meeting on Saturday night last of the Commercial Travellers' Association, it is evident that the "new blood" advocates, as they are called, have carried the day. They have succeeded in getting a majority to believe that expert advice in matters of mathematics may safely be disregarded, and that what life assurance actuaries say of the chances of human life and their effect upon trust funds accumulated for death benefits is "all poppy-cock"—which is the exact phrase used by one of their number. They have succeeded in displacing as treasurer one of the most valuable and faithful men an association of the kind ever had, Mr. J. C. Black; and they have put in his place