course eliminated) in one place than in another, or to prevent them selling more cheaply to one person than to another. To bring this to pass would require a much greater efficiency of administrative supervision than has existed up to the present in the United States or Canada.

The Trust and the Investor.

We have now shown how the competitor and how the consumer of the trust's products suffer from the methods used by the trusts and how it is proposed to deal with their case. The competitor and the consumer, however, have not been the only sufferers.

The Small Investor Has Also Lost by Investing in the Common Stock of the Trust.

When a trust is being formed, financiers usually called promoters go from one producer of a commodity to another, making arrangements for the purchase of their plants in case the venture is a success. They usually propose to pay the vendors of these plants in preferred stock or in bonds of the trust (thus Mr. Carnegie sold his steel plants to the United States Steel Corporation for $320,000,000 of 5% bonds of the United States Steel Corporation), and usually they pay more than the plants are really worth. Then they issue other stock, preferred or common, retain the better class of this for themselves, and get rid of the common stock to the credulous public, which is fascinated by the prophecies of high dividends on the trust's common stock and consequent increase in the price of that stock—prophecies which do not usually "pan out." The promoters make money out of the big block of stock which they have retained for themselves and which they keep if they think that it will pay them to do so, or sell to the public if it will not. Hence, besides all the bonds and preferred stock which together usually amount to the full value of the plants which constitute the trust, there is generally issued and sold to the investing public a vast quantity of common stock in the new trust.