

# The Chronicle



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### AMERICAN TOBACCO COMPANY.

THE Supreme Court of the United States has dealt with the great Tobacco Trust of the United States as sweepingly as it dealt with Standard Oil. The court orders the dissolution within six months of the combination known as the American Tobacco Company, with its associates the Imperial Tobacco Company and the British-American Tobacco Company, so far as they do business between the various states of the American Union. As in the Standard Oil case, unreasonable restraint of trade is the ground of the judgment. The ramifications of the American Tobacco Company are so numerous, as to suggest a tolerably widespread monopoly, a theory which is certainly confirmed by the history of the many companies which were made defendants in the suit. They were classified as follows:—The American Tobacco Company, "because of its dominant relation to the subject matter of the controversy," was designated as the "primary defendant." The American Snuff Company, the American Cigar Company, the American Stogie Company, MacAndrews & Forbes Company, and the Conley Foil Company, were named as "accessory defendants." The fifty-nine other American corporations were denominated as "subsidiary defendants." The two British corporations, the Imperial Tobacco Company and the British-American Tobacco Company, as well as the 29 individual defendants, headed by Jas. B. Duke, remained unclassified.

Judge Harlan dissented from the majority of the court as in the Standard Oil case, but it was as to the reasons rather than as to the effect of the judgment. He objects to the introduction into the argument of the rule of reason. He would condemn the Trust not because it exercised an unreasonable restraint of trade, but because it exercised any restraint at all. He says: "Congress, with full and exclusive power over the whole subject, has signified its purpose to forbid 'every' restraint of interstate trade, in whatever form or to whatever extent, but the court has assumed to insert in the act, by construction merely, words which make Congress say that it means only to prohibit 'undue' restraint of trade."

However, the judgment is comprehensive enough in all conscience, so far as it affects the tobacco business, and Judge Harlan's dissent is only important as making a precedent in cases affecting other trusts. That the Government will follow up its two signal victories, by a general onslaught upon the trusts of the United States, may be taken for granted. There is danger even that for the sake of consistency, or the appearance of consistency, it may run amok and scare

capital. In that case, most reasonable people will feel disposed to approve of the preference shown by the majority of the court for the sweet reasonableness, which Judge Harlan seems to think out of place in connection with the intentions of Congress.

### AN EXPOSED AND MENACING OUTPOST.

REAR Admiral Mahan, U.S.A., in an article in the Century Magazine, on "The Panama Canal and Sea Power in the Pacific," says: "The Hawaiian group is an outpost of the United States of first importance to the security of the Pacific coast; but its situation is one of peculiar exposure." The fact of the matter is that the United States, by acquiring both the Hawaiian and the Philippine Islands has given hostages to Japan. By losing the Philippines to Japan, the United States would lose prestige. By losing Hawaii, it would lose prestige, and much more, it would jeopardise the safety of its Pacific coast. Either independent or as part of the United States, Hawaii is a source of weakness. The islands are 1,300 miles nearer to the United States than to Japan, but a plurality of the population is Japanese and the immigration from Japan to Hawaii during the last forty years has been much more rapid than that from the United States. Soon Uncle Sam may reign, but Japan will rule in the islands over a sympathetic population. It would take the whole United States' navy to hold Hawaii against the Japanese and then, as Sir John Macdonald told the barber who boasted that he was the only man, who could take him by the nose, Uncle Sam would have his hands full. The best thing that could happen to the United States in this connection would be for Great Britain to assume control of the islands. They could not then be used as coaling stations, or as a base of operations against the United States without first fighting Great Britain. Admiral Mahan, by the way, seems to be thoroughly seized with the importance, from an American point of view, of Great Britain maintaining its naval responsibilities in the Pacific.

### AUSTRALIA AND THE JAPANESE.

THE Acting Premier of Australia declares that the Commonwealth will never agree, except at the sword's point, to admit Japanese immigrants, even if the refusal involves separation from the Mother Country. This is rather indiscreet talk. Without the support of Great Britain, Australia could not keep the Japanese out forty-eight hours. Nevertheless, it is impossible to withhold sympathy from the Australians in their