

quate warmth and sunshine are further essentials; but most of all is needed careful cultivation, constant looking after the plant, hoeing, weeding, watering, since no crop, save, perhaps, tobacco, needs so much and so careful handling. The district around Berlin is, we believe, well adapted in soil for the purpose. Furthermore, the German farmer is capable of great painstaking and great patience, and is therefore likely to give the beets the watchful care they need. Here we perceive two elements in the successful prosecution of the work that were wanting in the unsuccessful venture of the kind made at Farnham, Que., years ago. It will be well if those who are pushing forward the half dozen other projects of beet sugar factories in Ontario inform themselves with equal fulness upon all the considerations, favorable and unfavorable, which influence the success or failure of so important an industry.

TRUSTS, AND THEIR METHODS.

Mr. Schwab was reported to have got a million dollars a year for his services, in connection with an American steel corporation, a trust the scale of which may be understood by the remuneration he received from it. Mr. Schwab is candid enough to tell us how a trust is generally formed and with what objects. "Its fundamental principles," he says, "were the restriction of trade, the increase of price, and the throttling of competition: a trinity that would wreck any proposition, either business, political or social." On this admission the New York Journal of Commerce remarks: "Mr. Schwab evidently wishes it to be understood that the corporation of which he is the head, the United States Steel Corporation, is free from the vices inherent in the trust system." On a previous occasion, in an article in the North American Review, he had claimed for the men who built up the new enterprises that they did so not in the belief that they can effect a monopoly, but in the belief that they can so extend the system of economics that every one will profit, the consumer and the working men most of all. What! a workman get more than a million dollars a year? Mr. Schwab draws the longest of long bows; but he labors in vain, for such statements will convince nobody.

The Journal of Commerce puts in a few startling facts in connection with the capitalization of the United States Steel Corporation, a title which studiously avoids the word trust. But the substitution of one name for another is of no account in face of the fact that this corporation has a capitalization of \$416,000,000 "in excess of the combined capitals of the merging companies," as the Journal of Commerce assures us, adding that "out of this sum has been taken large amounts of ostensible profit, in bonuses, premiums and commissions." Again: "Leaving out the Carnegie Company, the merging companies themselves were the product of a similar process of formation, in which, for example, the stock and bonded debt of the Federal Steel Company represented a capitalization far in excess of the combined capitals of the companies composing it." Thus the same process of watering has been resorted to at different stages in the growth of the present corporation. So much water must tell disastrously on the common stockholders, while the knowing ones, protected by a preference, will get off scot free.

The enormous capitalizations, as the Journal of Commerce points out, enabled the United States Steel Corporation to pay out of ostensible profits "in bonuses, premiums and commissions." Other things it could

equally well do out of the over-capitalization. Similar processes in the organization of other combinations gave Americans the means of entering into unfair competition with foreigners for contracts outside the United States. There is nothing to prevent a few such contracts being taken below cost, as a means of creating a belief in foreign countries that American competition is much more formidable than it is. If it once be clearly established that so unfair a policy is pursued, it will behoove foreign nations to protect themselves, as best they may, against such devices. The protection that would be needed is real national protection, not the bogus thing that goes under that name, for purposes of quite a different kind. What form that national protection should take is a question for the statesmen to answer.

The proceeds of overcapitalization are certainly misnamed when called profits. They have been aptly called moneys taken from fools for the benefit of knaves. When squandered on other objects, such as those named, than production, they bring no return, and in this way the Trust becomes self-destructive. Canada's interest in these American trusts is of a two-fold character: first, we are affected by injurious competition; second, we are liable to be even more seriously injured by the adoption of these pernicious examples. Have our people not suffered already in this last particular? Is there no danger that they may suffer more in the future?

A NATIONAL STOCK-TAKING.

It is natural, and not unwise, at this season of the year, to undertake a sort of national stock-taking, so as to see "where we are at." Each year in its course develops new tendencies in our national and commercial life, and either strengthens or weakens those already in operation. There is little standing still in these matters; we move either forward or backward. At this time of last year Canadians with a retrospective turn of mind could congratulate themselves upon the advances in material prosperity which their country had made during the previous twelve months. Never before had they been able to look upon so uniformly prosperous a state of things; never before had the advance been so rapid. And, now they may have a similar pleasure; only, if there be any difference, it will probably be found to be on the side of even a greater ratio of progress this year than last. Trade is and has been good. Those whose business brings them in contact with the masses of the people unite in declaring that never was their standard of living so high as it is to-day; they want warm clothes, comfortable houses, good food; and they are prepared to pay in order to get such things. So much for the necessities of life; but dealers in what may be considered luxuries declare that the demand for these is larger and broader-based than ever before. This is a tendency even more noticeable in the rural districts than in the cities. The man who five years ago bought any kind of boots so long as they would go on his feet, be fairly comfortable and were cheap, now asks for an article which will not only prove comfortable, and wear well, but look well also. And the housekeeper who formerly bought a piece of cheap carpet merely as something to cover up the floor, now instructs the salesman to show her (or him) something not only of good wearing quality, but also pretty and artistically effective.