

These are days when the social organism is highly complex and its parts inter-dependent. The higher becomes the complexity of society the weaker do each of its members become in their exposure to severe injuries. When every house had its well, no combination could cause a short supply of water, but now, when all in one city are drawing from a reservoir, it would be possible for a few miscreants to stop the water supply of hundreds of thousands. So in regard to light and heat, society has become so unified as to be dependent for these necessities upon corporate enterprises. Combinations to control the supply of labour now have a power beyond parallel in earlier days when the means of communication between the several parts of a country were restricted. The Trades' Union of to-day is able to concentrate upon a narrow area the resources of a continent for the support of men out on strike. This very modern condition is one which presents a highly dangerous feature in the capital and labour problem. The Trades' Union to-day is, in reality, a "*Combine for the restraint of trade and the raising of prices by a monopoly. It sets at defiance the law of supply and demand*"; it creates, artificially, such market conditions as serve its purpose. The law against combines, therefore, applies directly to such combinations or unions. They are also a menace to the well-being of the community, for they aim at gaining their ends by establishing such conditions as would be an intolerable tyranny and oppression and danger to the State. They are, indeed, a conspiracy against the industrial welfare of the country. How such power is to be controlled, regulated, kept within safe limits is a difficult problem. But, that the paralyzing of an industrial enterprise by which the whole country is injured calls for some repressive action, is indisputable.

THE GREAT POWERS AND THE POWERS BEHIND THE THRONE.

At the Russian naval manoeuvres, the Czar and the German Emperor will meet; and it is expected that their Majesties will discuss the suggestion made by the King of Italy, that the European Powers should reduce their armaments. Some importance is attached to the conference, although it is taken for granted that Emperor William will oppose the proposition. He is represented as saying: "Germany cannot consent to impair her finest instrument of offence, which is part of the defence of her existence, because other nations are anxious to equal her. *We can stand the expense*; and besides, I consider that the army returns to the nation all that it costs, in discipline of character and whole-some training of the boy."

The kernel of the situation is contained in those

five words, "we can stand the expense." The Emperor is looked upon as an erratic genius, and, like most erratic geniuses, he has occasional flashes of inspiration. He recognizes that one of the great powers to be reckoned with to-day is the money power. The proposition for disarmament comes from a power which notoriously cannot stand the expense. The greatest failure of modern statecraft is its inability to cope with the new conditions brought into existence by the development of the money power. British statesmanship to-day stands disturbed in the presence of Mr. J. P. Morgan's scheme for an Atlantic steamship combine. Yet, according to Lloyds Register for 1802-3 of the world's total steamship tonnage of 25,859,987 tons, no less than 13,952,455 are British, against the 1,954,168 tons owned in the United States. The British increase in one year is equal to nearly one half of the entire United States tonnage. American statesmanship to-day stands paralysed in the presence of the attempt to combine the meat packing trade of the world in a "merger," with a capital of two hundred million dollars. Such proceedings as petitions for injunctions strike one as ludicrously inadequate to cope with forces that the Swifts and the Armours can bring into the conflict. Such issues as "the open door in China," the European sugar bounties, international trade relations, or increased or reduced armaments, sink into comparative insignificance, alongside the question of a \$200,000,000 combine standing between the world's producers and the world's consumers of beef, pork, mutton, bacon, fruit, poultry and eggs. It is problems of this kind that will furnish the vital issues to be dealt with by the statecraft of the present and of the future.

We have little faith in the power of legal restrictions to regulate financial combinations, nor are the money kings likely to be seriously worried by platform or press denunciations. The key of the situation seems to be largely in the control of the storage and transportation facilities. National control may be the solution. This does not necessarily imply national ownership; the principle of national control of the railways is already recognized in the railway legislation of every country; it now becomes a question of extending that principle to meet new conditions. If the nation has a right to regulate the railways which owe their existence to privileges granted by the state, it has an equal right to regulate in the public interest the ownership, or at least the control, of the cars, which are as essentially a part of the railway system as the tracks. It is not a case for an indiscriminate and unintelligent onslaught upon capital, but for the thoughtful development of a policy which will tend to enable producer and consumer to meet, without being absolutely at the mercy of a merciless "combine."