Trusts of To-day. By GILBERT HOLLAND MONTAGUE. New York, McClure, Phillips & Co., 1904. — xviii, 219 pp.

Few problems of present economic policy have received such painstaking study as that of the control of trusts. As a result, we are possessed of a voluminous trust literature, much of it very valuable, but little of it in such form that the ordinary reader can derive much profit from it. The present need is for more popularizers, rather than for more writers of scientific monographs. Mr. Montague seems to belong primarily to the former class of writers, although his earlier work, *The Rise and Progress of the Standard Oil Company*, gave indications of a taste for original research.

There is nothing original in *Trusts of To-day*. Even those whose reading on the subject has not extended beyond Professor Jenks's *Trust Problem* and Professor Meade's *Trust Finance* will find in it few new facts. This does not, of course, impair the value of the book as a popular presentation of the subject. Mr. Montague's style is lucid and his arrangement of matter is excellent. Often, indeed, one wishes to see his generalizations fortified by authority; but this would no doubt have been out of harmony with the general plan of the work.

While much of the book is devoted to the exposition of well-established facts and principles, the author's optimism has in some cases led him to take positions with regard to the industrial and social effects of the trust movement which it would be difficult to maintain. A few brief pages of somewhat superficial argument lead to the conclusion that there is only one evil in practical monopoly which is not self-corrective—that of freight discriminations.

If we are to credit Mr. Montague, there is no danger that the trusts will establish exorbitant prices. Organized labor has nothing to fear from them. The reduction of prices of raw materials, often ascribed to the trust, is really due to over-production. Unfair competition, such as local price cutting and the factor's agreement, of which we have recently heard so much, are well-recognized business practices; therefore there is nothing bad in them. As for the elimination of the jobber, the discharge of travelling salesmen, and the like, these are only incidents of progress, as justifiable as any other labor-saving arrangements.

It is perhaps superfluous to treat such a position seriously. Prices may not have advanced since the formation of the trusts—on this point, however, there is some dispute—but since most of the industries in which trusts have been formed are in a dynamic state we should have expected prices to fall. Possibly the price of oil has fallen since the formation of the oil trust—but should it not have fallen more than it has? Organized labor may have been well treated in the few years of trust formation. Any other policy would have been insane, in view of the excited state of public feeling. But what light does this fact throw on the future policy of the trust, when it shall have the position of a long-established institution? As to price discriminations, it may be quite true that they existed under conditions of competition, and that under such conditions no great evil resulted from them. Conditions have changed, and price discriminations must be judged from a changed point of view. Finally, as to the advantages gained by the trust through a reduction of personnel, it would be unsafe to argue that these may be defended by a mere reference to the argument for labor-saving devices under competitive conditions. The gain from the latter was quickly transferred to the consumer through a reduction in price; the gain from the former results merely in increased monopoly profit—quite another matter.

It appears then that Mr. Montague does not give due consideration to the industrial evils of monopoly. He shows, however, a clearer insight into the financial aspect of the problem. His treatment of the evils of over-capitalization and unsound financial policy is clear and in the main scientific. Publicity, as one would expect, is the remedy he proposes for these evils. But it is easier to prescribe publicity than to induce the trusts to take the prescription, and consequently his suggestions as to the reform of trust legislation leave a somewhat vague impression. His review of the shortcomings of existing legislation is excellent, but his discussion of the outlook for better legislation is unsatisfactory.

On the whole, then, the book leaves much to be desired. It is to be hoped that it may be followed by other popular works on the subject, equally readable, but written from a somewhat different point of view. The writer on trusts should not be too optimistic to admit that there is some basis for the general view that practical monopoly possesses some very real dangers and that the existence of monopoly changes the aspect of many practices that were quite innocuous under competitive conditions; and he should be sufficiently optimistic to hold that it is possible to devise laws which will, when supplemented by intelligent judicial interpretation, restrain the excesses of monopoly without paralyzing ordinary business.

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