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EDITORIAL

THE TOBACCO TRUST REORGANIZATION.

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IT is worse than “kicking against pricks” to howl against the decision, rendered on the 8th of this month by the United States Circuit Court for the Southern District of New York, approving of the main features of the reorganization plan proposed by the Trust.

On last May 29 the United States Supreme Court ordered the dissolution of the American Tobacco Company, the Tobacco Trust, for being in violation of the Sherman anti-trust law. Obedient to the order, the Trust divided itself into four companies, and distributed its shares pro rata among the shareholders, several of them holding shares in more than one of the four new companies. The latter was the main objection, around which clustered several minor ones of kindred nature, raised by the “independents” and supported by the Attorney-General. The Court denied them all upon “economical as well as legal” reasons. In other words, the Court placed its official stamp of approbation upon what the “independents” correctly say is “the same old Trust” in different form. It is legitimate for the tobacco firms to complain that if the same shareholder can hold shares in several of the four companies there is nothing to prevent their holding shares in all the four. Ignorance of economic laws, and the notion that these can be legislated against is the ear-mark of the “independent,” or small concern, generally.

Powerful tho’ the political state is, it is not omnipotent. The political state can stop the laws of economics no more than it can stop those of arithmetic: 1+1 being equal to 2, there is no power on earth, or in the heavens above, or in the waters under the earth to prevent 2+1 making 3. The social system, that allows an individual to hold a single share in any plant necessary for production, can contrive no scheme by which that individual shall be prevented to hold 1,000 shares or any amount in that particular plant, or in any number of others. The identical economic law, that

pushes towards the enlargement of any one plant, simultaneously blurs the boundary lines, one time sharp and hard, between plants, one time considered of different trades. The oneness of production is thus gradually “discovered”; mergers are the gradual consequences. This process, which unifies industries once deemed different, can not choose but consolidate branches of the identical industry. The decision of the Court so holds. In holding so the Court holds rightly. Nor can there be any doubt that the announcement: “no appeal is anticipated” is correct.

Idle though it may be to “kick against pricks,” yet frequent kicking may dull and wear out ordinary pricks. There is, however, no such thing as dulling, least of all of wearing out economic laws. The Socialist who joins the howl of the “independents” against the Court’s decision reveals ingratitude. The Court’s decision confirming the Tobacco Trust’s plan of reorganization means this:—“We have fooled long enough with this issue; we have long enough shuffled the cards; this is the last shuffle: here the Trust takes its stand and proposes to stand.”

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