

EDITORIAL

THE MERGER DECISION.

By DANIEL DE LEON

THE Northern Pacific and Great Northern, two large railroad companies of the West, recently joined hands, secured control of a third line, the Burlington road, and merged or consolidated these interests by setting up a “holding company,” the Northern Securities Company. The aggregate capitalization of the three systems, including funded debt, exceeds \$1,000,000,000. In point of capital operated, the combination was gigantic; even more gigantic was the policy that conceived it: It was nothing less than the establishment of a transportation system large enough and strong enough to enter into and maintain itself in competition for the trans-continental trade in America, as well as in the trans-Pacific trade between America and the Orient, against the carrying systems not only of the United States, but also of Canada and the European States by way of the Suez Canal. In this stupendous conception, the role of the Burlington line was to act as the connecting link of the system towards the East, the Great Northern and Northern Pacific being the two radiating lines towards the Pacific Coast.

So stupendous a conception, operating so stupendous a force of capital, could not help but set fluttering all the owls of modern society. Former plutocratic ventures felt dwarfed by the side of the newly risen giant, and struck hands with the small Middle Class, the two embracing like long lost brothers, who, recognizing the congenital strawberry mark in each other’s shoulders swore “united to stand and fight it out against the octopus.” It goes without saying that the opportunity was golden for the demagogue. “Strenuous Teddy,” who is looking for renewed Presidential honors, seized it. The outcome was a suit instituted by the Federal Attorney General, under the Sherman “Anti-Trust” act, to dissolve the Northern Securities Company. The suit created great sensation. The hearing of arguments was held in March before the United States Circuit

Court of Appeals, sitting in St. Louis. It is on this suit that the Court has just rendered a decision, decreeing the dissolution of the Northern Securities Company.

The argument for the United States savored throughout of the demagogic, insincere and illogical spirit that prompted it. The argument for the company, presented by ex-Attorney General Griggs, was a paragon of logic. It reads like a page from Socialist economic reasoning. Proceeding, of course, from the premises of capitalism, the private ownership of the means of production, Mr. Griggs proved that the Sherman act could not be so construed as to abridge the right of any corporation to sell its stock to another, or of both selling to a third person. He who says "Private Ownership" of the necessaries of production, says "Competition," sure enough! but his utterance does not end there. To use the language of the Court, "everyone is presumed to intend what is the necessary consequence of his own acts." He who says "Competition" intends its necessary consequence,—MONOPOLY. Nor is this a theory. Not one of the interests, arrayed in this instance under the banner of "Competition," but means, intends, and aims at a monopoly for itself. They now snarl at monopoly only because it is their ox that happens to be gored. This is one of the ludicrous postures that all capitalist interests fall into some time or other.

The case has been appealed. What the decision of the United States Supreme Court will be, there would be little doubt on—if rendered after the approaching Presidential election. Whatever the decision, it can not upset the laws of political economy. Given the Capitalist System, monopoly is inevitable; and beyond,—the break-down of CAPITALIST SOCIETY and the rise of the SOCIALIST REPUBLIC.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.

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