

“SWOLLEN PROFITS,” AND HOW SECURED

The following is taken from a New York dispatch giving a report of the Standard Oil inquiry:

Clarence G. Fay, acting comptroller of the Standard Oil company of New Jersey, was shown a table of capitalization of seventeen companies subsidiary to the Standard Oil company of New Jersey and a summary of their dividend payments and profits both for the years 1903 and 1906. He attested its authenticity. It is as follows:

	1903		
	Capital.	Dividends.	Profits.
Atlantic Ref. Co.	\$ 5,000,000	\$3,499,830	\$9,794,190
Buckeye Pipe Line.	10,000,000	1,499,955	4,592,147
Continental Oil.	300,000	498,000	578,990
Eureka Pipe Line.	5,000,000	2,949,646	3,118,392
Galena Signal.	10,000,000	1,125,560	1,832,271
Indiana Pipe Line.	1,000,000	3,798,860	4,196,664
Natl. Transit Co.	25,455,200	2,545,165	5,340,032
N. Y. Transit Co.	5,000,000	3,949,289	3,033,639
Northern Pipe Line.	1,000,000	79,992	80,502
Solar Ref. Co.	500,000	1,348,380	1,129,470
Southern Pipe Line.	5,000,000	599,988	1,139,016
Standard Oil of Ia.	1,000,000	600,000	1,089,418
Standard of Ind.	1,000,000	9,491,500	8,753,410
Standard of Ky.	1,000,000	997,200	1,772,173
Standard of N. Y.	15,500,000	10,498,650	14,391,046
Standard of Ohio.	3,500,000	174,970	960,184
Vacuum Oil Co.	2,500,000	1,814,461

	1906	
	Dividends.	Profits.
Atlantic Refining Co.	\$ 2,249,955	\$5,506,237
Buckeye Pipe Line.	5,799,798	7,028,568
Continental Oil.	405,000	575,043
Eureka Pipe Line.	3,049,634	2,435,105
Galena Steel.	1,377,200	2,803,056
Indiana Pipe Line.	2,179,346	2,513,553
National Transit Co.	5,090,330	1,923,767
New York Transit Co.	2,099,958	2,343,282
Northern Pipe Line.	2,000,000	1,591,614
Solar Refining Co.	449,460	1,258,519
Southern Pipe Line.	4,599,988	4,649,306
Standard Oil of Iowa.	3,904,096	873,977
Standard of Indiana.	4,495,500	10,516,081
Standard of Kentucky.	1,994,400	1,307,780
Standard of New York.	1,499,990	9,556,031
Standard of Ohio.	174,970	1,009,526
Vacuum Oil Co.	1,449,575

Mr. Kellogg developed while Mr. Fay was on the stand a curious problem of financial book-keeping, or handling of accounts, which Mr. Fay failed to explain. From figures submitted it was shown that the Standard Oil company of New York in 1904 made a profit of \$7,751,160 and paid in dividends to the Standard Oil company of New Jersey the total sum of \$32,998,430. This transaction reduced the net assets of the New York company from \$40,425,900 to \$15,179,706, while the liabilities leaped from \$47,646,235 in 1903 to \$81,395,145 in 1904, an increase of nearly \$34,000,000. The gross assets of the New York company, however, increased from \$88,074,561 in 1903 to \$96,574,852 in 1904. Meanwhile the accounts receivable of the Standard Oil company of New Jersey grew from \$19,045,014 in 1903 to \$58,272,924.

“BACK TO THE PEOPLE”

Some one has told the Kansas City Post that Mr. Bryan will undertake to dictate to the democratic party and the Post occupies considerable space in knocking down the straw man. The Post says: “The Post, which does not stand in awe or dread of the power of any man or set of men, protests against the interference of Mr. Bryan, or the dictation of any man with the freedom of action, freedom of expression of the democracy of county, state or nation.”

A democratic paper ought not to be so ready to fasten upon Mr. Bryan every charge made by his political opponents. For a paper which insists that it “does not stand in awe or dread of the power of any man” the Kansas City Post takes fright very easily. Its two column protest is unnecessary. Mr. Bryan has no desire to play the role of dictator. He has no desire to interfere with “the freedom of action, freedom of expression of the democracy of county, state or nation.” On the contrary he stands for the perfect freedom of action and the entire freedom of expression not only of the democracy of the nation but the democracy of the state and of the county, and not only that but the democracy of the precinct. He would have every democrat in every precinct in the United States attend the primaries of his party to the end that in the selection of candidates and in the framing of a platform the “freedom of action and the freedom of expression” of the American democracy shall not in any way be checked by the decree of any one man or of any coterie of men.

Repeatedly Mr. Bryan has said that in 1908 the candidate will be chosen and the platform will be written according to the decree of the

Referring to this expose the Chicago Record-Herald says editorially:

The Standard Oil company has repeatedly and earnestly denied that there had been anything in its methods and policies to warrant the government's “campaign of persecution” against it. It had charged reasonable prices, had respected the spirit and letter of the laws, and had not only done nothing wrong or immoral, but had greatly benefited the country—and, indeed, as Mr. Rockefeller said, deserved a public vote of thanks and a monument—by building up, regardless of expense, a splendid foreign trade in American oil. In every statement of the company the “foreign trade” argument has been very prominent.

In the light of the disclosures at the hearing in the government suit for the dissolution of the company as an illegal combination, its solemn assertions and pathetic appeals will appear even more ludicrous than they did in that of the several partial reports of the commissioner of corporations.

To do full justice to the whole situation the figures relating to the trust's dividends and percentages of profits should be studied in connection with the reports of the commissioner.

It is not enough to say that seventy per cent profits and \$70,000,000 totals are not made legitimately on a capitalization of about \$98,000,000. This would be mere inference. According to the reports of the commissioner, there is abundant and overwhelming evidence to show positively that the company's “means of domination” have been unfair methods of destroying competition, extortion, price discrimination of the most flagrant character, ruthless local underselling, refusal to discharge legal duties, improper control of transportation facilities.

To quote directly from the latest report of Commissioner Smith, “the Standard is a most conspicuous example of a combination which maintains a substantial monopoly, not by superiority of service and reasonable prices,” but by reckless use of power “unfairly gained” and by deliberate discrimination against home consumers. The commissioner showed that the American consumers have been forced “to pay the cost of maintaining the Standard's power abroad,” as well as the cost of its destructive warfare on competitors at home.

Now we learn from the admissions of its officials in court that in addition to all this the American consumers have had to pay \$70,000,000 a year since 1899 in profits on a capitalization of less than \$100,000,000.

Whatever may happen in the suit now in progress, the “foreign trade” argument and the pretense of reasonable returns on the investment and consideration of the consumer have been retired for good.

rank and file of democrats who will give expression to their views in precinct, county and state gatherings and finally in their national convention.

WHERE KNAPP STANDS

Martin A. Knapp, chairman of the interstate commerce commission, addressing a gathering of railroad men at Chicago said: “I believe the most mischievous piece of legislation in the history of the country is the Sherman anti-trust law as interpreted by the United States supreme court. It is intolerable and strikes a blow at development and progress.”

Mr. Knapp might at least wait until some serious effort had been made to test the Sherman law before he puts his brand of worthlessness upon it. It will, however, occur to a great many people that there is not much hope for genuine railroad regulation at the hands of an interstate commerce commission whose chairman entertains the sentiments to which Mr. Knapp gave expression.

THE LOST IDEALS

Professor E. A. Ross writing in the Atlantic gives the American people something to think about when he says:

As a successful lawbreaker, the monopolist takes from us more than money; he takes away our ideals.

For twenty years the writer has watched the effect upon college young men of the conspicuous triumph of the first great commercial pirate—the oil trust—over able competitors, common carriers, oil-producers, public prosecu-

tors, attorneys general, courts, legislatures, newspapers, and leaders of opinion.

Many left college for the battle of life with the conviction that the ideals of success held up by their instructors were unpractical.

“The preachers and professors and commencement speakers are old fogies,” said one.

“This isn't the kind of world they think it is. They are fussy old maids, not strong men.”

“With all these fine principles,” says another, “you'd be a dead one from the start. You'd never get into the game at all.”

“Money's the thing! With money you're it, no matter who kicks,” says a third.

“I'm going to climb into the band-wagon, not hoot at it as it goes by.”

So, for several college generations, one could mark in the ebb of generous ideals and the mounting of a precocious cynicism the working of the virus.

The founder of the oil trust may give us back our money, but not if he send among us a hundred Wesleys can he give us back the lost ideals.

WHY “EXCEEDINGLY DESIRABLE?”

Mr. Burton, who is anxious to beat Tom Johnson, the mayor of Cleveland, denies that the Cleveland campaign “is to an exceptional extent complicated with national politics.” Mr. Burton says that he wrote to Mr. Roosevelt and received the following reply:

“Oyster Bay, N. Y., September 17.—My Dear Mr. Burton: You put a hard question to me in your letter to Mr. Loeb. There are certain qualities of leadership you possess which could not be supplied by anyone else in the house, and you have a mastery of certain subjects such as no other man in the house can hope to attain. For you to leave the house, therefore would mean that in certain lines of leadership there would be a loss that can not be made up. I would, therefore, be tempted to protest against your leaving if it were not for my profound conviction that it is exceedingly desirable that you should win out as mayor of Cleveland. In view of the fact that our democratic system undergoes its most severe strain in the government of our cities, I feel that it is of the utmost importance to have a man of your experience, power and your long training, theoretical and practical experience in public life take such a position as that of the mayoralty of Cleveland. Accordingly if you ask my advice I should say make the fight. With all good wishes believe me faithfully yours,

“THEODORE ROOSEVELT.”

Now just why is it “exceedingly desirable” that Mr. Burton should “win out as mayor of Cleveland?” Tom Johnson is “a man of power and long training, theoretical and practical experience in public life.” It is not denied that he has given, as mayor of Cleveland, faithful service to the public interests. It is not denied that the people, rightly have implicit confidence in him. Why, then, is it “exceedingly desirable” that such a man as Tom Johnson be defeated? Certainly the “democratic system” which Mr. Roosevelt says “undergoes its most severe strain in the government of our cities” has not been injured by the concern which Tom Johnson has ever shown for the public interests, by the great ability and zealous care he has ever exercised in behalf of the people of Cleveland.

CAMPAIGN CONTRIBUTIONS

Publicity should be given to every campaign contribution and it is of the highest importance that the publicity be made before the vote is cast. If the publicity is given before the people go to the polls they will have an opportunity to learn the character of the influences behind the several candidates. It is to be greatly regretted that many who are seriously advocating the publicity program with respect to campaign contributions do not lay proper emphasis upon the desirability of giving the information to the public prior to election day.

NON-PARTISAN

It is related of a well known lawyer of Omaha whose name is famous as a republican partisan that he was once called upon to deliver a non-partisan speech. Some of his friends who knew his falling coached him industriously in the hope that he would acquit himself creditably and in the effort lose some of his reputation as a partisan. He did. In the beginning, and in the effort to make himself thoroughly understood as an independent of independents, he said: “I don't care what a man's politics is—just so he is a republican.”