CURRENT TOPICS

A GREAT FIGHT has been raging in the high circles connected with the Equitable Life Assurance society, said to be the greatest single financial power in the United States. A New York telegram to the Pittsburg Dispatch, under date of February 15, said: "This fight exceeds in bitterness any struggle that has ever developed among kings of finance in this country. The demand made by James W. Alexander, president of the society, that James H. Hyde, its vice president and owner of a majority of the capital stock, shall consent to a change in the voting plan by which the 500,000 policy holders of the company shall have a voice in the election of its directors, is only a small part of the real struggle. Mr. Alexander and his friends in the company demand, and this is the real crux of the war, that Mr. Hyde shall retire from the vice presidency of the company and from all active participation in the management of its affairs. Mr. Hyde has been served with a notice to this effect, and unless he retires at a meeting of the directors set for tomorrow the consequences may be the most remarkable in the financial history of this country."

ACCORDING to the same telegram, thirty-four of the executive heads of the Equitable Life Assurance society, constituting the whole active management of the immense corporation, with the exception of the vice president, Mr. Hyde, and the fourth vice president, W. H. McIntyre, have signed an agreement declaring that unless Mr. Hyde resigns they will give up their positions in the company. When it is remembered that the Equitable Life Assurance society has in ready cash and securities, which can be immediately turned into cash, $478,000,000, and when it is also remembered that some of these men who have threatened to resign have been with the company since it was founded, in 1859, by Henry H. Hyde, father of the young man who they now insist must resign, the motives which impel them to take this extraordinary step can readily be understood to be exceptional. One of these motives is the private life of Mr. Hyde. Old men in the company who were his father's friends, declare that while they are still loyal to the memory of Henry B. Hyde, they know that were he living he would not tolerate in a position of responsibility in the company any young men, even his own son, who had led the frivolous life credited to young Mr. Hyde.

ANOTHER OBJECTION to Mr. Hyde, says this dispatch is the charge that he has formed financial associations of a character that is detrimental to the Equitable company. They say that he has gone into huge speculative schemes or has allowed himself to be used by the promoters of such schemes, and that in consequence this absolute one-man control of the $478,000,000 of the Equitable society is a crowning injustice to the half million policy holders in the company. Not only have these men determined to oust Mr. Hyde from the company, but they also have agreed among themselves that Jacob H. Schiff, head of the great banking house of Kuhn, Loeb & Co., must retire as a member of the finance committee of the Equitable Life. Mr. Schiff is one of the few known supporters of young Hyde in the present gigantic struggle. It is stated that the reason they object to Mr. Schiff's continuance as a member of the finance committee of the Equitable Life is that during the last year his firm, Kuhn, Loeb & Co. sold to the Equitable $22,000,000 of bonds.

AT A MEETING of the Equitable directors held February 6, Mr. Alexander was elected president and Mr. Hyde was re-elected vice-president. This was done after Mr. Hyde had consented to the retirement of the stock and to the "mutualization" of the company, which, it is explained, means that all policy holders have the right to vote. A committee of seven was chosen and this committee will report April 12.

THE FIGHT against the Standard Oil Trust by the people of Kansas is attracting world-wide attention and people in all sections of the country are showing their sympathy for Kansas. On February 21, the Illinois legislature adopted a resolution offering to lend the state of Kansas the sum of $100,000 without interest, for a period of six years to aid in establishing a state oil refinery. This resolution refered to the Standard Oil trust as "that merciless octopus whose tentacles now encircle every state in the union." Another resolution provided for the appointment of a joint commission to confer with the state officials of Kansas and to agree on steps to be taken for pipe lines to aid common carriers. Indiana oil producers have organized to fight the oil trust and they will urge the erection of a state refinery. The bill has been introduced in the Texas legislature, making the pipe lines of that state available to independent producers and it is proposed by some that the state erect a refinery. Oklahoma is likewise considering the erection of a state refinery, together with the proposition to make oil producers preserve a uniform price throughout the state.

AN INTERESTING DESCRIPTION of the troubles between Kansas and the oil trust is given by Frank P. Gallagher, the staff correspondent for the Omaha World-Herald, in a dispatch to that newspaper, under date of Topeka, Feb. 21. Mr. Gallagher says: "It was a bitter experience with the sinister influences of Standard Oil that led the people of Kansas, but as late as two years ago the oil industry amounted to little. Twelve years ago Standard Oil wriggled into Kansas under the deceptive title of the Forest Oil company. Departing from its historic policy, the Standard Oil management determined to develop the fields without waiting for the people to catch the oil fever. Near Neodesha, in Wilson county, many wells were sunk, but the oil refused to gush and the borings were abandoned. Standard Oil relinquished its leases to hundreds of acres and surrendered the task of development to the prospectors and promoters."

THE FIRST IMPORTANT STRIKE was made by Charles Knapp, six years ago, at Chanute, near one of the abandoned properties of the Forest Oil company. A little later it was found that Peru, Kan., was located on a vast oil deposit. Soon nearly every town lot had its oil well, and the Forest Oil company returned to the field with renewed vigor. As the business developed the Forest Oil company underwent several changes. Its small capitalization disappeared, and on January 7, 1901, it took the name of the Prairie Oil and Gas company and increased its capital stock to $2,500,000. The company then built pipe lines to Neodesha from Chanute and at the latter point a refinery was established. In 1902 the supply of oil was still unsatisfactory to the Standard Oil folk, and in order to create a boom it suddenly raised the price of crude oil from 90 cents to $1.10 a barel. The effect was magical. In twelve months the output grew from 322,000 barels with a value of $289,000 to 1,018,000 with a value of $1,120,018. A greater part of the output was taken by the Standard Oil company, but each day E. J. Webster, who has built an independent refinery at Humboldt, Kan., took 200 barrels.

IN THE MEANTIME, Standard Oil, according to Mr. Gallagher, had been whetting its cimitar with the intention of striking down the entire independent oil industry of Kansas. The capacity of its plant at Neodesha was added to until it had reached 300,000 barels of crude oil a day. The pipe lines were extended until the main conduit ran from Tulsa in the Osage nation south of the Kansas state line through Kansas to Kansas City, Mo. At Caney, Neodesha, Altoona and Humboldt, the Prairie Oil and Gas company built giant tanks, and began to store oil. By January 1, 1905, it had a total stock on hand of 5,448,034 barrels. Until last August, when the Standard finished its system of pipe lines through the state, oil had been bringing prices ranging from $1.20 to $1.40 a barrel, according to its specific gravity. It was at this juncture that Standard Oil sprung its trap, in which the oil producers and consumers of Kansas and the single independent oil refiner, E. J. Webster, are still squirming, but with a show of life that astonishes the captor. The price of crude oil began to fall. In four reductions the prices were cut to 72 cents for a barrel of the best oil. Another smash of 2 cents was made on January 31, 1904. To what a low level prices for crude oil had sunk is illustrated in the following comparative table: Western crude oil prices—32 degree and above, 70c; 31½ to 32, 65c; 31 to 31½, 60c; 30½ to 31, 55c; 30 to 30½, 50c; 29 1-2 to 30, 45c; 29 to 29 1-2, 40c; 28 1-2 to 29, 35c; 28 to 28 1-2, 30c; 22 to 28 heavy, 29c per barrel. Bartlesville, I. T., 82c per barrel. Eastern crude oil prices: Pennsylvania, $1.40; Tiona, $1.55; Corning, $1.67; New Castle, $1.32; North Lima, 93c; South Ioma, 88c per barrel. Indiana, 88c; Somerset, 81c; Ragland, 53c; Petrolia, Ont., $1.33 per barrel.

THE PRAIRIE OIL AND GAS COMPANY then made such rules relative to tests that the owner of a high quality of oil received no more than one whose output was of an inferior quality; moreover, the Standard Oil's inspectors did all the grading. In some instances they graded the oil high and when the time came to buy they regraded the same oil in a lower classification. There were other injustices that aroused intense indignation among the producers, but the worst blow was yet to fall. As soon as the Standard had completed its conduits it could transport its oil without shipping by rail. This the independent dealer could not do. It was then that the railways advanced the rates from 10 cents to 17 cents per 100 pounds. In addition to this, the railways arbitrarily ruled that a gallon should be held to 7½ instead of 4 pounds. The effect was to raise the cost of shipping a car of oil to Kansas City and other river markets from $$45 to $98. The further effect was to prevent the producers from shipping their oil and they were compelled to accept Standard Oil prices at the wells. The most remarkable fact in this connection is that the four railways involved, the Santa Fe, the Missouri Pacific, the 'Frisco and the Missouri, Kansas & Texas, absolutely went out of the lucrative business of transporting oil and they did this simply because the Standard had so commanded.

SPEAKING to this correspondent, J. M. Parker, secretary of the State Oil Producers' association, said: "If the railways would give us the original rate of 10 cents per 100 pounds, or $45 a car, we could ship all of our oil to Kansas City and other points and it would give us $1 per barrel at the well. It would give the railways 100 carloads of freight every day. But the Standard Oil company tells the railroads to desist from hauling any oil whatever, and by an exorbitant rate forcing us to sell to the Standard, the only market in the fields, at a price of 47 cents a barrel, which, under the compulsory rates demanded from the railways by the trust, nets the producer 7 cents more than if he had used the railways."

MR. GALLAGHER adds: "While the men who are attacking Standard Oil realize the great power of this corporation they express confidence that Kansas will yet be able to gain the mastery. I regretted that I could not bring to them better cheer from Nebraska, the sister state. When I told them that Nebraska, far from trying to cast off the yoke of the octopus, was about to put it on by erecting a Rockefeller memorial, I saw in their eyes not a little consternation and a steely glint of scorn and resentment. They have a habit of being in deadly earnest down here. The people are a unit against Standard Oil. Consequently it is difficult for them to realize that any state in the union, least of all Nebraska, should regard Rockefeller bondage with anything but aversion and horror. Secretary Parker of the Kansas Oil Producers' association gave expression to this idea when he said: "The legislature of Nebraska is in session. It has a duty to perform. It should take such action as will render the acceptance of a degrading gift from Rockefeller impossible. Naturally it is inconceivable to us here in Kansas that such a plan should ever have been entertained. It would be dreadful if Nebraska should be content to wear such a badge of servility."

THE ATTENTION of the Nebraska legislature was on February 22 directed to the struggle between the Standard Oil trust and the state of