

LABOR LEADERS SAY SEARLES IS FRANK.

Opinions on the Monopolists' Trades Unions Statement.

CREDIT FOR HIS CANDOR.

H. O. Cole Has No Doubt That the Trust's Purpose Is to Crush Labor.

REGARDING UNION'S LEGALITY.

Edward King Thinks That Searles' Allusion to "Unlawful Combinations" is Vitiated by Court Decisions.

"One of the purposes of the trust, as you stated some time ago, was to prevent what you called the illegal combination of labor, wasn't it?"

"Yes, sir." "There had been strikes?" "Yes." "For higher wages?" "I believe that was the cause given."

"And now you prevent any so-called illegal combination of labor?" "We try to, of course, within proper limits. Testimony of John E. Searles before the Lexow Trust Investigating Committee.

Several prominent labor leaders have given their opinions to the Journal on the above quoted statement of John E. Searles. They are as follows:

HENRY WHITE, general secretary of the United Garment Workers—Mr. Searles deserves at least credit for candor. As Mr. Searles said in a former statement that "it is not logical to conclude that the same power that the trust has secured to regulate prices and production will also be used to keep labor in subjection. If the right of a single corporation to absolutely dominate an industry is conceded, then what becomes of our private enterprise and free competition, the principle which is supposed to underlie our social system, and which is supposed to bring about fair exchange and fairly compensated labor?"

GEORGE TOMLINSON, delegate of the Gilders' Union: "The statement that labor unions are illegal is absurd. The courts have several times held that workmen have the right to combine in their own interest. Of course, the trusts would like to keep it that way, but it is not for us to appear that labor unions are illegal, since the tendency of labor unions is to keep up wages, while the trusts are to keep wages down, and to keep up wages."

HENRY N. EDWARDS, Social Reform Club, founder of the Bricklayers' Union: "I have no doubt that one of the objects of the Sugar Trust is to fight the unions, which, notwithstanding Mr. Searles' assertions, are perfectly legal. It would be a very curious combination of the fact that trusts are absolutely lawful organizations, if the Sugar Trust or any other trust should be permitted to combine to prevent their own wages from being raised."

EDWARD KING, delegate of the Typographers' Union, labor leader and organizer: "It is a good thing that Mr. Searles was so frank. Although working people know very well that trusts in their very nature are unfriendly to labor unions, the plain argument of a representative of one of the largest trusts, that one of its objects is to fight labor unions, places the issue squarely before the people. In view of the many unions which are now being organized, and that labor unions are legal, Mr. Searles' statement in that respect carries no weight."

GEORGE GAILLARD, Walking Delegate of the United Brotherhood of Carpenters: "There is no doubt that trusts are inimical to labor unions, and it is not surprising that the Sugar Trust wants to combat organized labor. Labor unions are absolutely legal, and their protection against just such organizations is not the experience of workmen to find that trusts lower the price of commodities."

CONSUMERS RECEIVE NO BENEFIT.

Chairman Lexow Declares That Two Far-Reaching Admissions Have Been Obtained from Witnesses.

One of the important facts elicited to-day is the corroboration by Mr. Searles of the testimony of Lawson N. Fuller in regard to the result of combination on the price of sugar. Whatever benefit the consumer has derived is due to the fall in the price of the raw material, and even part of this has been withheld. The combination has increased the margin of difference retained by the refiner, so that part of the decrease in the cost of the raw material has gone to swell the profits of the refiner. This, too, notwithstanding the fact that the alleged object of the combination itself was primarily to secure economy in manufacture and distribution, which object, it was admitted, had been secured.

Another far-reaching admission is that, which appears from the statement that combination has forced a reduction in the price of the raw material, hence a diminution of rates paid to the original producer of the raw material. Submitting these two propositions to the test of ultimate analysis, the conclusion appears that whatever of reduction of price accrues to the consumer would appear to have been taken from the original producer of the raw material, and conceded only fractionally to the consumer, the other fraction being retained by the combination, and the consumer receiving absolutely no benefit from any economies which are alleged to be the main object of combination.

CLARENCE LEXOW, Chairman.

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HOW THE TRUST BUYS SUGAR.

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had decreased how much? A. It had decreased the least since 1875 from 7 1/2 cents a pound to 5 1/2 cents a pound. Q. What was the average value for the first year preceding the formation of the trust? A. It was 6.918 cents a pound. A. I think it was more. Senator Lexow brought out more figures of this line, and then he asked: "Has the consumer ever received the benefit of this fall in raw material?" "The consumer has had the full benefit, paying a small difference in the price of refining."

"Then, notwithstanding the consolidation had for its object the economy of production and the concentration of facilities the consumer is no better off, but really the price of refining is 1.157 cents a pound more?" "He did not receive the benefit in the years you mentioned."

Where the Consumer is Left. "The conclusion then is that while the price to the consumer has dropped it didn't drop to the extent of the decrease in the cost of the raw material, but your price of refining increased?" "Your comparison is not at all fair."

Senator Lexow frowned, and, in his sternest tones, said: "You don't make that statement, Mr. Searles. We may say your figures are not fair or the figures of the experts are not fair. A comparison of the cost for the five years before the formation of the trust with the five years afterward should show something, but do you want the consumers of this country to grow gray haired before they can ascertain whether or not they are getting any benefit?"

"I mean to say that you are taking an unfair basis for comparison. It is unfair, because the five years before the formation of the trust were years of disaster to this business." "Your output is about two billion eight hundred million pounds a year, isn't it?" "It is about that."

"That leaves you a profit of \$28,000,000 a year, doesn't it?" "I mean to say that you are taking an unfair basis for comparison. It is unfair, because the five years before the formation of the trust were years of disaster to this business."

"I can scarcely remember all that statement," was Mr. Searles' response, and by direction of Chairman Lexow the question was repeated by the stenographer. Then Mr. Searles replied: "In so far as that question refers to the American Sugar Refineries Company, I can see no objection to it."

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Another far-reaching admission is that, which appears from the statement that combination has forced a reduction in the price of the raw material, hence a diminution of rates paid to the original producer of the raw material. Submitting these two propositions to the test of ultimate analysis, the conclusion appears that whatever of reduction of price accrues to the consumer would appear to have been taken from the original producer of the raw material, and conceded only fractionally to the consumer, the other fraction being retained by the combination, and the consumer receiving absolutely no benefit from any economies which are alleged to be the main object of combination.

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Lawson N. Fuller Says "They Used to Be Called 'Rings,' Not 'Trusts.'"

dition would cure itself by competition rather than by any other means."

"And that the State should close its eyes and let it continue?" "I don't think legislation will do as well in this direction as the law of supply and demand."

"Isn't that just what these combinations of capital are speculating on—that the Legislature will stand by and for years wait for the law of supply and demand to regulate these things?" "I don't know what the speculators are doing."

"Then why are these combinations of capital formed?" "An economy of production and to enable men to make profits out of a business where otherwise there would be none."

"And where this economy doesn't develop the combination has no business to exist?" "If it doesn't the combination should not. There are wrecks all along the street, of trusts that have failed to recognize the legitimate law that governs all business and so have come to grief."

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there will be no misunderstanding as to what we want. We want the various documents produced which were asked for during the examination of the two Mr. Havemeyers and Mr. Searles."

There was a great deal more talk about the production of these documents. Mr. Searles and Mr. Parsons declaring they weren't quite sure. All this proved that neither of those gentlemen had any real given the slightest thought to the matters which have worried the committee so much. It was finally agreed that Mr. Searles would not have to appear before the committee to-morrow morning, but at that time the answer of the Board of Directors would be given as to whether or not the desired documents would be produced.

Then Senator McCarran took a hand in questioning Mr. Searles, beginning with the question of how the trust had never been consolidated. Mr. Searles replied it would probably be the same, but that during the last nine years the price of refined sugar would have been one cent a pound higher if the various companies were not consolidated and were in competition with each other. He also said they would not have been more men employed had not the consolidation been effected, and that the wages of the employees would not have been so low.

Senator Lexow then asked Mr. Searles to produce figures showing the amount of labor required to turn out a ton of refined sugar at present, and the same figures with reference to the time before the consolidation. He was willing that Mr. Havemeyer should furnish these figures. "I can't pledge that Mr. Havemeyer will be able to furnish the figures," Lawyer Parsons said.

"Oh, I suppose so," said Chairman Lexow, in a hopeless tone of voice. "The chances are that all that has been desired to turn out a ton of refined sugar is the privilege of the Chairman to say that," retorted Lawyer Parsons. "The only way that all the papers in existence prior to the formation of the trust have either been destroyed or are missing," he said.

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Directors on the production of the desired books. If they are brought before the committee all will be seen and if not, it is probable that subpoenas duces tecum will be served on every member of the Board of Directors, and it is highly probable that this will result in the books being forthcoming, and then it will be a question for the committee whether or not it will declare the officials and members of the Board of Directors in contempt and ask the Legislature to punish them therefore.

Lawson N. Fuller's Testimony. As Mr. Searles left the witness stand Senator Lexow recalled Lawson N. Fuller, saying there had been some questions as to his competency to appear as an expert on sugar matters. Mr. Fuller did not throw any light on this question, however. He said that when he was in the sugar business, more than twenty years ago, there were about 20,000 men employed in the forty-eight different refineries. He was positive that when twenty-eight refineries were in operation there were only 14,000 laborers had been thrown out of work. He thought it was reasonable to believe that there were more men employed in these forty-eight refineries than the Sugar Trust now employs in its two refineries.

He told the old story of his discovery that some of his dishonest competitors in the sugar business could get their sugar through the custom house at a lower rate than he could. If he came to test them and how the whole subject was made the basis for an inquiry by a Congressional committee, of which Fernando Wood was the head.

Mr. Searles' continued Mr. Fuller, "stated that the trust was formed to get rid of the work in the business, but I believe it was formed to get rid of the honest men." Senator McCarran again took this opportunity of bringing out some facts that would throw a ray of light upon the sugar trust, and in conclusion he asked of Mr. Fuller what report the Congressional committee had made.

"Oh, it wasn't much of a report," was the reply. "Did it sustain your charge?" "No, but that didn't alter the fact," Mr. Fuller said. "I believe that he was in favor of electing men to Congress who would legislate in favor of the public. This brought forth a round of applause from the audience in the rear of the room, which Senator Lexow promptly suppressed. Mr. Fuller also said that these combinations were in the country, and that he feared some legislation curtailing their powers was not enacted that the country might yet see another report of this kind."

RUBBER TRUST FACTS AND FIGURES.

Taken from the Last Annual Statement of the Trust, with Additions from Other Authentic Sources.

Table with financial data: Capital stock authorized \$50,000,000.00; Preferred stock outstanding \$19,400,500.00; Common stock outstanding \$20,160,000.00; Total stock issued \$39,566,500.00; Stock unsold \$10,433,500.00; Cash surplus at beginning of year \$876,217.88; Profits and net income \$2,632,939.03; Expenses, rent, taxes, etc. \$299,148.43; Dividends paid \$1,552,040.00; Balance accumulated \$1,663,968.48; Earnings in investments not paid into treasury \$1,911,697.98; After expenses and dividends amount earned \$3,575,666.46; Factories owned by the Trust for which stock was issued—American Rubber Company, Boston Rubber Company, Goodyear's Metallic Rubber Shoe Company, L. Candee & Co., Lycoming Rubber Company, N. S. Lycoming Rubber Company, Myer Rubber Company, New Brunswick Rubber Company, New Jersey Rubber Company, Woonsocket Rubber Company, Marvel Rubber Company, Lawrence Felting Company, Colchester Rubber Company, Rubber Manufacturers' Selling Company.

FACTORIES CLOSED BY THE TRUST AND MEN THROWN OUT OF EMPLOYMENT.

Table with factory locations and men thrown out: Three at New Brunswick, N. J. 3,500; One at Colchester, Conn. 700; One at Franklin, Mass. 300; One at Setauket, L. I. 500; Total number of men thrown out of work 5,000.

which the consumer must purchase its sugar, also in reality fixed the price at which the trust purchased the raw material. He said it was the London market that controlled the price of raw sugar. That market was now in competition with the American market.

Keeping Down Price of Raw Material. "The American Sugar Refineries Company, with its large capital, can go all over the world to purchase its raw sugar, and in this way we have been able to keep down the price of the raw material," he said.

He also stated that the company had made calculations as to the cost of refining sugar, but had made no comparison with the same cost prior to the formation of the trust, because all the figures in existence then have been lost. He was asked how he was enabled then to state that as many men were now employed in refining sugar as were employed before the formation of the trust. He said he had given that simply as an impression.

"But when we asked Mr. Searles if the American Sugar Refineries Company, as you stated some time ago, was to prevent what you called the illegal combination of labor, wasn't it?" "Yes, sir." "There had been strikes?" "Yes." "For higher wages?" "I believe that was the cause given."

"And now you prevent any so-called illegal combination of labor?" "We try to, of course, within the proper limits." "There had been an increase in the price of labor since the formation of the trust?" "I believe there was an increase of 10 per cent in wages in the first year of the trust."

tion was limited to the 50 per cent of the business not controlled by the companies you consolidated?" "That is right." "Did the central organization fix the price at which the product was sold to the consumer?" "In any other way than before. There had always been a uniformity as to the price of manufactured goods."

"If the understanding was not to fix the price, what was the purpose of the consolidation?" "To centralize the manufacture, and to secure economies by this centralization." "But one central Board of Directors governed these former ten or eleven companies; is that a fact?" "That is correct. There remained in the organization of these companies the old officers, and each company was run under the immediate direction of those officers."

"But as to the universality of price; the president of the United States Rubber Company, for one of these different companies, didn't he?" "He could have done so, but he didn't do it. He only sold to some extent, and he didn't utilize the various factories after the consolidation."

"About one-half of the capacity was used, was it?" "What concerns did you acquire in 1883?" "I bought the Woonsocket Rubber Company of Woonsocket, R. I., and the Marvel Rubber Company, of the same place. There were not fair competing concerns acquired in that year."

"I don't recall that. We built a plant in Woonsocket for one that had an interest in the Woonsocket Rubber Company." "You say interest. Didn't you secure the entire stock?" "I did." "Didn't you also secure the Lawrence Rubber Company?" "Yes, we did."

"What amount of stock was issued in the purchase of these companies?" "About \$12,000,000." "Now, I am going to ask you, with one-half of the mills you had on hand remaining idle, you acquired those others for which you paid \$12,000,000?" "Yes, we did."

"What amount of business did the Woonsocket Company add to the others you acquired in 1883?" "Perhaps one-fifth of the whole output." "So that you then had the control of 70 per cent of the total plants of the country?" "Yes." "Mr. Flint added that the assets of the property transferred to the company at the time of the consolidation were very small. The New Jersey Rubber Company, he said, was a company that had been in existence for years. It was a good deal like the Chemical National Bank, he said, inasmuch as the amount of capital stock had no significance as to the value of the property. He said he thought he could get for the committee the amount of capital stock held by the company that had been acquired, and the date of organization."

"Did the issue of common stock bear any relation to the issue of preferred stock, and if so, what?" "That is in the committee's report advising the purchase." "Is that report?" "In the archives of the company." "Can you produce it here?" "I will if the directors approve of it. I am the secretary."

"Who is the secretary?" "He is Samuel P. Colt, who is president of the Industrial Trust Company, of Providence, R. I." "Where is the book that contains this report?" "In the company's office, in New Brunswick, N. J., I understand." "Have you an office here, and is it the main office of the business?" "We have an office here, but our business is widely distributed. We have no factories in this State."

"Where are the general accounts kept in the office here?" "No; in the New Brunswick office." "In the New Brunswick office, in this city, and sometimes in Boston, Providence or New York?" "Yes, at all our offices." "When were the last official meetings held here and in New Brunswick; the majority of them here, however?" "When the meeting held at which this report was received."

"In this city?" "Where was the action taken that resulted in the issue of this stock?" "In this city."

PREFERRING DEATH TO HUMILIATION.

Secret of the Suicide of Mrs. Samuel Knapp at Bath Beach.

WAS SUED FOR DIVORCE.

Her Friends Had Supposed Her Domestic Life Was Perfectly Happy.

GIVEN OUT THAT SHE WAS INSANE.

The Husband Made That Excuse for His Wife's Act Last Week, but It Now Appears That She Made a Confession.

In the Journal last Saturday appeared an account of the suicide of a Mrs. Samuel Knapp, who was described as a leader in the Jewish social life of Bath Beach and Bensonhurst. She had on Friday swallowed carbolic acid, and she died before a physician could relieve her. Known as the mother of two beautiful children, surrounded by every conceivable comfort and with a happy home life apparent on the surface, the suicide of "Mrs. Knapp" shocked her friends and acquaintances. The only explanation offered for her act was that she had become despondent after the publication of the divorce proceedings, and that she could possibly wish for everything that she could possibly wish for and was a loving wife and mother. She must have become suddenly insane.

There was nothing in the story of this tragedy to indicate that the upper Jewish social circles of New York and Cincinnati would be startled by its publication. It had that effect, however, and before many hours had elapsed after the death, it was generally known that "Mrs. Knapp" was really Mrs. Samuel Knapp, whose husband had long been manager of the big clothing house of Bierman, Heidelberg & Co., doing business at No. 394 Broadway, and on Crosby street. Mrs. Knapp was Miss Ida J. Apple, wealthy and accomplished, and her marriage to the New Yorker was an event in Hebrew society circles.

The cause of the suicide has remained a mystery to all except those who have looked to Cincinnati for it. In that city there has been unshared an interesting story. It is now alleged that Mrs. Knapp took her life to save herself the shame and humiliation that was sure to follow the publication of the divorce proceedings. She had been sued for divorce by her husband, on statutory grounds. The suit was brought in Cincinnati because that had been the home of Mr. Knapp for eighteen months or more, the firm for which he had acted as manager having had its headquarters in that city. There a large concern, on the corner of Fifth and Vine streets, for some reason it was decided to have its headquarters in Cincinnati. It was done about a month ago, Mr. Knapp returning to New York temporarily, and leaving his wife in charge of the business. He had changed from Samuel Knapp & Co. to Bierman, Heidelberg & Co. It was soon after abandoning his Cincinnati residence that Mr. Knapp made up his mind to secure a divorce. He took the first steps last week.

In his complaint Mr. Knapp alleges that his wife had a summer home at Rock Bridge, Alum Springs, Va., and took a trip there for the season. One night his wife's maid, so the complaint alleges, startled the quiet resort by rousing out of doors and screaming that a burglar was in the house. There was a rush of brave rescuers, but great care was taken to secure a divorce. He took the first steps last week.

There was a scandal in Alum Springs, but the matter was hushed up. Mrs. Knapp would probably have remained in ignorance of it had not a Cincinnati woman, the wife of a manufacturer whose name had often been whispered in connection with his, told him the whole story. He went to Alum Springs and, as it is alleged, secured a divorce. He returned to Cincinnati to close up his business affairs, and she came to New York.

Mr. and Mrs. Knapp were married in 1888.

CROKER ON PURROY.

He Says That Next Fall People "Will Not Throw Away Their Votes."

Richard Croker denied yesterday that he was writing, or intended to write, a letter on the Greater New York Mayoralty situation. "There is nothing in the statement that I am writing a letter discussing local politics," he said. "I don't know how the rumor originated."

Mr. Croker said last night that after spending some little time in England, he would go to Germany. Both he and his son Frank have stomach trouble, and while in Wiesbaden they will take the waters. As the contract for the interview with Mr. Croker will return to New York in time to take an active part in the municipal campaign, it is believed that he will not return to New York. "He has put Tammany Hall in a good condition for the fight. Tammany is in a baronous state and the organization is firmly united."

A Running Sore

On My Brother's Foot and White Swelling on His Knee

Kept growing worse in spite of medical treatment. His knee became stiff and he could not put his foot on the floor. We feared he would always be a cripple. I often heard of cures by Hood's Sarsaparilla, and persuaded my mother to give it to him. When he had taken it a short time he was able to walk about the room with our assistance. We continued giving him Hood's Sarsaparilla and he is now cured. The sore on his foot is healed and Hood's Sarsaparilla keeps him healthy and rosy."

Hood's Sarsaparilla

Is the best—in fact, the One True Blood Purifier. Sold by all druggists. \$1; six for \$5. Beware of cheap imitations. Hood's Pills are the only pills to take with Hood's Sarsaparilla.