vealing the source of their information. Mr. Flint denied any knowledge whatever of anything of the kind. The names of two men were mentioned in this article; one was Joseph W. Elverson and the other was Gardner. Mr. Flint said that Elverson was not a director or manager, or to his knowledge a stockholder in the United States Rubber Company, but he had purchased from the rubber company a factory at Setauket known as the Brookhaven factory, and he had not destroyed that factory, but had been running it continually since that purchase, and was to-day making goods in competition with the factories of the American Rubber Company.

"Why," demanded the boss hunter, "did you sell this property to Elverson?"

"Well," said Mr. Flint, "Elverson wanted to buy it in the first place, and we felt, and I think the fact has been shown, that the facilities of this factory were not nearly as good as the facilities of the United States Rubber Company to produce similar or better work at other points. We either had to sell this factory or lower the price of the labor employed there, and we preferred to make the goods where they could be more economically made. That is the reason we sold it.

Q.—Did not Elverson agree not to manufacture goods in competition to the United States Rubber Company? A.—Not to my knowledge. I never heard of any such agreement.

Q.—Is it not a fact that in July last year an order was issued by the United States Rubber Company closing down that factory? A.—I am certain that no such order was issued, because the company had disposed of the factory nearly a year before. They had nothing to do with shutting it down or with operating.

Mr. Flint said that if the hunters were extremely anxious to get information about the sale of this property to Mr. Elverson he thought they could easily get it.

"Who from?" demanded the boss hunter.

"Why," said Mr. Flint, "the gentleman who attended to the legal end of the matter was Mr. Samuel T. Colt."

"And where is he?" demanded the boss hunter.

"He," said Mr. Flint, "why he's President of the Industrial Trust Company of Providence," and everybody in the room laughed, including Mr. Flint, who said he thought that possibly if the committee could not get Mr. Colt, it might Mr. Evans, the President of the United States Rubber Company.

"Is Mr. Evans in the city of New York?" demanded the boss hunter.

"I think not, at present. I think he is in Boston." And the laugh was renewed as the boss hunter demanded to know when he would be home, and the rubber monster said he did not know; but he volunteered to communicate with him and ask him to come and tell the committee all about it.

"Have you," demanded Mr. Lexow sarcastically, "a branch of your business which devotes its time to destroying facilities of manufacturing?"

"If we have," said Mr. Flint, "I have never heard of it."

NYACK MANNERS.

"Well, let's get at those wages now. You don't pay more than the competing companies, do you?"

"I have here," said the rubber monster, stretching his legs, "a list of the rate of wages paid by our company. I must explain that a large amount of the wages paid are paid on the basis of piece work. So in giving you the rate, you will understand a considerable portion of the product of the United States Rubber Company is made on this basis. The United States company pays for men's boots 16 cents, the Setauket Company pays 10; lumbermen's style 8 cents, Setauket 5."

"Now, here," said Chairman Lexow, interrupting him, "we don't want this Setauket stuff. They don't pay any wages in Setauket."

"Mr. Chairman," retorted Mr. Flint, "the plant in Setauket has been in continuous operation up to within a few days. It may be in operation to-day. It is not a fact that it has ever closed down permanently. It is closed down now for taking stock or something of that kind, and its agents are selling goods that are not yet made and that are to be delivered this year."

"Oh," snarled Chairman Lexow, unhappily; "then you have an arrangement with them, have you?"

"We have not," said Mr. Flint.

"Do you swear positively that they are not working under your direction?"

"I do swear positively," said the monster.

After a long series of questions it came out that Mr. Elverson, running the Setauket factory, had made a proposition to the United States Rubber Company to establish a selling company to dispose of the product of the Setauket place.

Q.—Is that not an evidence that you are about to absorb the Liberty Company of Setauket? A.—We never have thought of absorbing the Liberty Company's plant at Setauket or anywhere else.

Q.—There has been no such idea? A.—No, sir, not to my knowledge.

Q.—Oh, you are going to let that run in order to preserve enough show of competition to deceive the public, are you? A.—No, sir.

Q.—Oh, we understand very well. This is the same system as applies in this State to the American Sugar Refining Company and the Mollenhauer competition. The weaker might be absorbed at once by the larger one, but it is kept in existence in order to keep up the show of competition? A.—I don't understand anything of the kind.

The boss hunter could not understand how it was that the Setauket Company and the United States Rubber Company did think it commended that establishing a joint selling company without preventing competition between them, and as the United States Rubber Company did not need the assistance of the Setauket Company to sell its goods he could not see what possible advantage it was for the company to join with the Setauket Company in marketing product.

IT PAYS TO KEEP POOR GOODS OUT OF THE MARKET.

Mr. Flint made the interesting explanation that the proposition of Mr. Elverson included an advance on the goods of the Setauket Company by the United States Company, and an improvement in the quality of the goods. He said that the Setauket Company had put goods on the market that prejudiced rubber goods. He said that the rubber business was peculiar in that it was largely affected by the manufacture of inferior goods. It might be of interest, he said, to the United States Rubber Company to enter into arrangements with any competing company that would bring about a better grade.

Q.—You mean to say that the Setauket Company has been making poor goods? A.—I do. You understand me: the turning out of poor rubbers by others does not hurt us with the jobbing trade, but it hurts us with the consumer who buys the goods without examining the trade mark. He gets a pair of shoes that wears out quickly, and then rubber shoes are condemned generally. When the output of a factory is a million pairs of poor shoes a year, you can see how it would prejudice and injure the entire industry, and it would be to the interest of a concern like the United States Rubber Company to go to some lengths to improve the quality.

A little later Mr. Flint explained why he was particularly interested in helping the Setauket Company. He said that before the United States Company was formed, he, being interested in the crude rubber business, had made advances to a company controlled by Elverson. These advances had not been fully paid, and it was to his interest interest in the matter to help along that business, so that he could get his money out of it quicker. He said that he had explained to the directors of the United States Rubber Company that, so far as Elverson's proposition was concerned, he could not take any part in it because he was interested on both sides, and whatever their judgment was he would agree to stand by.

Q.—Do you mean that any insane proposition of this kind that you say Elverson made to the United States Rubber Company would be listened to for a moment? A.—So far as I know it has not been listened to.

Q.—Don't you thing the proposition is an insane one? A.—No, I do not, from the point of view that the improving of the quality in rubber goods helps the large producers.

"Well," said Charlan Lexow, who was badly tangled, "as near as I can make you out, you bought this plant in Setauket because you needed it. You sold it because you didn't need it, and now you are thinking of an agreement involving an advance on the goods of this competitor."

"I have simply stated to you," said Mr. Flint, "what he wants us to do, not what we are going to do. You said that it was an insane proposition, and I tried to show you that there was some reason why it was worthy of consideration."

RUBBER MONSTER PAYS THE HIGHER WAGES.

"Well, go ahead with those figures," said the boss hunter.

And Mr. Flint proceeded thus: "Sandals and overshoes, United States Company, 3¾, Setauket, 2½ per pair; sandals and overshoes, self-acting, United States Company, 4½, Setauket Company, 2¾; instep slippers, or storm slippers, United States Company, 3½, Setauket Company, 2¾; grinding room, United States Company, $9 to $10 a week, Setauket Company, $6 a week; calender room, United States Company, $1.75 to $2, Setauket Company, $1.25 to $1.50 a day; calender help room, $1.50 to $1.60 a day for the United States, and 75 to 90 cents a day for the Setauket; packing room, $1.50 to $2.50 for the United States, and 75 cents to $1 a day for the Setauket; boys and girls, United States 75 cents to $1.25, Setauket 30 cents."

As these figures were read off the hunters were dazed. They did not have any idea that monsters paid any wages at all; it was said only the truly good who had not grown big enough to be monsters that ever paid anything. The boss hunter started right in to see if he could not break the force of the figures.

"I would like to ask you," he said, "how much of an ingredient in the manufactured product labor represents?"

"I do not know," said Mr. Flint, "but it is larger than in most industries."

Q.—Is it 80 or 90 per cent.? A.—It seems to me—no, I don't think it is.

Q.—What is the average? You stated that you exceeded the average; now, what is the average? A.—I don't know; but I know it is more than the average.

Mr. Flint said that he did not know whether these wages were paid in all of the factories of the United States Rubber Company; he thought that most of the companies had their own price. These wages, he said, were paid for the lowest grade of goods that his company manufactured, which was higher than the highest grades manufactured by the Setauket Company. The wages paid for higher grades of goods, he said, were higher. He said that when his company had a factory at Setauket it paid 25 per cent. more wages than are paid there now.

The boss hunter was sure that Elverson was connected with the United States Rubber Company, and he asked a lot of questions about this. Mr. Flint said he wasn't, and that he did not know where Mr. Elverson could be found. Chairman Lexow stated that the committee had been hunting for him, and another subpœna was issued for him on the spot.

MORE THINGS ARE TRUE THAN "TWO AND TWO MAKE FOUR."

"Now," said the boss hunter, "will you kindly explain to me how it is, if this Setauket Company pays 25 per cent. less for its labor, and labor is a very large per cent. of the cost of manufacture, they cannot compete in the open market with you? Tell me how they come to you to make an advance on their goods?"

"The reason they cannot compete with us," said Mr. Flint, "is very plain. It is because we enjoy the advantages which result from centralization of manufacture and the larger use of labor-saving machinery."

Senator McCarren wanted to know if the trade mark had anything to do with it. Mr. Flint replied that the trade mark had a very great deal to do with it.

To Hunter Harry Mr. Flint said that with the improved machinery that followed the centralization of the business the laborers of the United States Rubber Company were able to produce much more than 25 per cent. over the laborers at Setauket, who got 25 per cent. less in wages.

"Will you explain how it is," demanded the boss hunter, "that with the labor market 25 per cent. less you closed up the factory at Setauket?"

"Certainly," said Mr. Flint, "our company could get labor of higher intelligence at other points. As I stated, our aim has been to produce goods of the highest quality, and we needed the higher intelligence. One of the advantages of the centralization of this business has had is the centralization of ideas. Before we came together every concern had some one patent or other. Now, every one of these patents is utilized to its full extent in all of our factories. The old factories had all been working on independent lines, and when they came together they had the advantage of this combined knowledge that came from this work."

"Well, you haven't answered my question," said Chairman Lexow. "Now, inasmuch as labor forms the largest ingredient in the manufactured product, and you had in Setauket a market where you could procure this at 25 per cent. lower than in other places——"

"Mr. Chairman," interrupted Mr. Flint, "I have not stated that labor formed the largest ingredient in the manufactured product. I stated that it was my opinion that in the rubber business labor represented a larger percentage than in most other manufacturing industries. If the census from which you quote states otherwise, in my opinion the census is wrong."

WHY DON'T YOU RUN YOUR BUSINESS TO SUIT AN AMATEUR?

This produced a laugh and Mr. Flint went on: "I may repeat right here that we do not claim a special credit for paying American wages to American workingmen. We pay those wages because we need them. We claim that our wage earners produce more than the wage earners at Setauket, owing to the superior facilities and the better organization which we possess through the centralization of the business."

Q.—Why was it, then, that you did not add to the facilities of the factory at Setauket, where the labor market was 25 per cent. cheaper than elsewhere, and where you might have saved that much in wages? A.—We have large plants with expensive machinery at other points—at places where there is considerable advantage from the location. The United States Rubber Company considered the matter very carefully, and they determined that it was better to develop the larger property than it was to develop and enlarge this small one at Setauket. Take, for instance, the National plant; that was erected at a cost of $1,300,000; the Setauket plant only cost $100,000 or so. It was found more to our advantage to develop further the plant that cost $1,300,000.

WHAT LESS WORK IN HARD TIMES!

In answer to a question by Senator McCarren, Mr. Flint said that the centralization of the rubber business had brought about a steady employment for labor, though, he thought it very likely that in the years of depression that had just passed, the consumption having fallen off somewhat on account of the depression, there might be fewer men employed to-day than there were in 1892, which was a very prosperous year.

"So you admit," thundered Chairman Lexow, "that since 1892 not so many men have been employed as prior to the organization of the United States company?"

"I admit that we have suffered bad times."

"I ask for the fact. Is it true?"

"I will state that I think there were more men employed in 1892 than during the years of depression, '93, '94, '95, and '96."

"Oh, now we understand you," said McCarren, who is the Democratic Senator of the committee.

"Do you want to follow out that line of investigation?" asked the boss hunter, quickly, turning to the Senator, and McCarren laughed and the subject was dropped.

In answer to other questions by Senator McCarren, Mr. Flint explained that there was a very great deterioration in rubber goods owing to the changing styles, and that this deterioration made it necessary for the company each year to hold great auction sales and dispose of goods at much less than their price in order to get rid of the old styles and keep up with the new. This was an element of considerable expense in the business. Mr. Flint admitted that the price of the United States Rubber Company's goods was fixed on the 31st of each March for the succeeding year, and he produced a copy of the factors' agreement.

Boss Hunter Lexow insisted that the United States Rubber Company had increased the price of goods to the consumer altogether out of proportion. Mr. Flint insisted that the United States Rubber Company had increased the price of goods only as it had improved the quality of them, but he could not induce the Nyack statesman to realize that quality had anything to do with price.

LEXOW CAN'T WAIT FOR THE LONG RESULTS OF TIME.

Lexow demanded: "How much more time is it going to take to realize the economies that you say are brought about by centralization? Mr. Searles said that it would take fifteen years to realize to the full extent the economies that centralization had brought to the sugar business."

Mr. Flint's answer made the committee gasp. He said:

"I will state to you, gentlemen, that it might take a hundred years to reach the last economy in the rubber business. Economies cannot be realized in the rubber business in all its branches that can in a business with but one branch, because of the enormous variety of its products. Many economies have been realized; many more are being realized all the time. I have in mind now one that was realized within five months of the organization."

Q.—Is it not a fact that the ultimate economy will be reached as soon as the consumer may have benefit in it only after the stockholders of the United States Rubber Company get 8 per cent. on their preferred stock and 12 per cent. on their common stock? A.—I feel that, as a director in the United States Rubber Company, I am under obligations to earn what money we can for the 6,000 stockholders, but——

Q.—That will do now. That's what I want. Is that considered a fair and reasonable dividend upon the preferred and common shares before the people can get the advantage of the economy? A.—As a matter of intelligent management it is to the best interest of the 6,000 stockholders that the company should study the interest of the consumer by giving him a better quality, a better return for his money, in order that more will be consumed. If we had been able to run our factories at full time and full capacity during these last four years of depression the benefits that the consumer received would have been greater. You assume a state of facts in your question that does not exist. The United States Rubber Company has never paid a dividend of 12 per cent. on its common stock; it has only earned a little more than 1 per cent. on common stock.

"I didn't ask that," said Chairman Lexow unhappily.

"But that is the fact," said Mr. Flint gently.

YOU'D THINK "GOOD WILL" WAS A NOVELTY.

"Now," said Chairman Lexow a little later, "to put it plainly, is it not true that the general stock of the United States Rubber Company is watered? Is it not a fact that that stock represents nothing but water, which it is expected may develop an earning capacity?"

Mr. Flint retained his temper and went into an explanation of considerable length to show what the general stock of the rubber company was issued for. In substance it was for trademarks, organizations, and for good will. He said that good will was a very large part of the business—good will, backed by fifty years of experience, and trademarks that had been before the public for that length of time and that the public had learned to know were quite as valuable as bricks and mortar. There was a derisive laugh from the committee's rappers in the back of the room, but Chairman Lexow had to admit that there was something, a little at least, in the assertion.

Next, Mr. Flint said that the centralization of capital was the natural evolution of trade conditions, and Senator Lexow wanted to know if it was not the fact that those engaged in industrial corporations were utilizing this evolution to increase the nominal value of their property with a view of distributing it among the public at large.

"They are using it for the purpose of increasing its actual value," said Mr. Flint.

Q.—Isn't it a fact that those who have held industrials in few hands have capitalized them on a basis of a supposed good will, largely in excess of stock held by them in the original investment, and that they are willing to permit the public to share with them the "good will" capitalized? A.—You say "supposed good will." You must accept good will as actual value, for that is what it is.

MORE BUSINESS PRINCIPLES DETECTED.

This was followed by a series of questions, severely asked, in reply to which Mr. Flint said that one reason why men who held property of very large value were willing to let the public share was that men did not always want to have too many eggs in one basket. Another reason was that when an industrial plant was in the hands of a few men it couldn't be realized on quickly. It was impossible to get its actual value in case it was necessary to dispose of it. The point of accumulated property into marketable, realizable value, undoubtedly, had considerable to do with the letting in of the public on investments. "To-day," he said, "an isolated property might not bring 60 per cent. of the value it would bring if it were regularly listed and accessible to the public at all times. In the case of the death of one man in a great business in the hands of perhaps only two or three, and the consequent necessity of disposing of his share, there is often very great loss. That same property, if listed as stock and accessible to the public, will bring its full value."

SUBPŒNAS TO GO TO NEW JERSEY AND COME BACK DUCESTES FORISCUM.

Toward the end of the examination of Mr. Flint the boss hunter got "on his ear" again about the data collected by the Simmons committee on which that committee based its recommendation to the United States Rubber Company to purchase the various properties that were purchased. And at the very end it demanded Mr. Flint's full name and the full name of Mr. Ford, and notified them that they must wait and be served with a subpœna that would compel them to produce that data. The data are at New Brunswick, N. J.

The hunters had a "gee-whiz-we-won't-do-a-thing-if-they-don't-get-it" expression on their faces when they signed and delivered these subpœnas, and the sympathizers in the back of the room, who are with the committee on all occasions, united in the assertion, "By thunder, if they don't produce, we'll jail them." Mr. Flint and Mr. Ford widened their ordinary smiles, and trotted out with their subpœnas.

SUGAR MONSTER BRINGS PAPERS.

When the afternoon hearing opened, the boss hunter clambered upon his throne and looked all around. He had apparently assured himself that Mr. Henry O. Havemeyer, the sugar monster, was not around, and he demanded in fierce tones: "Is Mr. Havemeyer in court?"

"He is," said the sugar monster, stepping from behind the shadow of a post, and winking at the stenographer.

"Oh," said Chairman Lexow, and gathering up a bundle of papers he came down off the throne, and presented them, one by one, to the monster, who identified each one separately. One was an extract from the minutes of the Board of Directors, concerning the purchase of the Knight Sugar Refining Company; another a similar extract concerning the purchase of the Delaware Refining Company; another concerning the authorization of the purchase of four companies, and the amount of capital stock issued to pay for them; another was the amount of taxes paid to the State of New York from 1891 to 1896. This one was read. It was as follows:

	New York City.	Brooklyn.
1891	$067.73	$74,761.99
1892	4,529.73	76,942.75
1893	4,626.30	76,157.00
1894	6,353.82	72,717.00
1895	7,622.76	78,941.66
1896	10,912.70	77,334.85
Total	$33,015.54	$457,260.65
Grand total		$490,276.19

WHY DON'T YOU SHUT UP THE NEW YORK REFINERIES?

Taking this statement back to the throne with him, Senator Lexow wanted to know if the statement made by Mr. Searles that the property of the Sugar Refining Company in Brooklyn represented a total capacity of 20,000 barrels a day was correct. Mr. Havemeyer said he thought it was correct. Then, by various stages, the boss hunter learned that about one-half of the business of the Sugar Refining Company is conducted in the State of New York, and he popped the question: "How comes it that this corporation, then, does not pay taxes on at least $30,000,000 of its capital?"

Mr. Havemeyer retorted, "I don't see any relation, myself, between the total capital of the company and the amount of taxes that the company pays in the State of New York. It is not a New York corporation."

"But you know," thundered Chairman Lexow, "that the laws of this State require that corporations shall pay taxes on the capital employed in this State?"

"I have a very indefinite knowledge of the details of the law," said Mr. Havemeyer. "Our law business is all attended to by Mr. Parsons."

PURSUIT OF THE DEAD TRUST DEED.

"Ah," said Mr. Lexow. "Now, the only document that has not been produced by you is the original deed of trust of the Sugar Trust, and the figures contained in it, showing the amount apportioned to each of the companies that entered into part of the trust. Mr. Searles testified that he did not know where that deed was. Do you?"

"No," said Mr. Havemeyer, wearily, "the last time I saw it was at the time of the last legislative investigation. I think they called it the Arnold Committee then. The deed was produced then, and Mr. Parsons was allowed to cut out the part about the distribution of the certificates."

Q.—Were you present when that was done? A.—I was not. Mr. Parsons told me, and I saw it published in the papers afterwards.

Q.—Have you seen the document since that day? A.—I have not.

Q.—Was the document surrendered to the keeping of the committee? A.—I think it was returned by the committee.

Q.—Who was the last custodian? A.—When I last saw the deed it was in the custody of Mr. Parsons. My impression is that, by the terms of the deed, he was made custodian of it.

"Now, Mr. Havemeyer," said Chairman Lexow, thumping the desk, "why was it that you and your associates were so solicitous with reference to the secrecy of the items which were cut out?"

"Oh," said Mr. Havemeyer, throwing his head back, "I have no reason for secrecy about it. But there were a hundred parties named in the deed. The deed was put in the possession of Mr. Parsons under certain conditions made by these hundred. I suppose he did not want to violate the conditions."

"Yes," thundered Chairman Lexow, again thumping the desk, "but inasmuch as these figures form so substantial an item in an investigation of this character, how comes it that you so completely forget it?"

PROSECUTION OR PERSECUTION?

"Why," said Mr. Havemeyer, "that's easy enough; that's an easy one. It became an executed contract, and as such it was destroyed from my memory. The deed should have been destroyed."

"Now tell me," said Chairman Lexow, "what was there in that deed that made it necessary to destroy it?"

"I did not say there was anything in the deed that made it necessary to destroy it," said Mr. Havemeyer. "But I will say here that if it had been destroyed, in my opinion there would not have been all of this continual fuss. This deed has been the basis of this fuss and interference that the company has had to put up with, and all reason for fuss and interference was swept away by the Supreme Court of the United States. That deed, let me say, is what has all the trouble and persecution that the company has had to suffer."

"Prosecution, sir," said Senator Lexow, savagely.

"No, I say persecution," said Mr. Havemeyer, just as sadly as ever.

"Whoever told you, Mr. Havemeyer," demanded Senator Lexow, "that the United States Supreme Court had swept away all these things?"

"Why," said Mr. Havemeyer, sarcastically, "I supposed that you were familiar with all that prosecution."

"But," said Senator Lexow, thumping the desk, "who told you that the Supreme Court of the United States said the Sugar Trust was not a monopoly?"

"Well, said Mr. Havemeyer, "I leave all these things for my counsel, but I know it was so decided."

"Oh," said Mr. Lexow, "then you are simply reflecting the opinion of your counsel?"

"No," said Mr. Havemeyer, sharply, "I am saying what I know to be the fact."

Q.—Did your counsel tell you that the Court decided that the Sugar Trust was not a monopoly, or did he tell you that the decree rendered was on a question of jurisdiction? A.—He told me that the United States Supreme Court had decided that the Sugar Trust was not a monopoly, and I read the decision myself. The United States Supreme Court decided that where there was no restriction there could be no monopoly, and we don't restrict anybody from going into the sugar business.

LEXOW HAS PUT UP THE PRICE OF SUGAR.

"Now," said Chairman Lexow, again putting deadly emphasis to it, "do you believe that the value of the property of any corporation honestly conducted has anything to fear from investigation, no matter how rigorous or searching?"

"I don't," said Mr. Havemeyer, leaning forward and emphasizing his words, "but you will allow me to make a statement. There has been apprehension in the public mind that there would be some interference by the Legislature of New York with the sugar business. As a result of this apprehension they have advanced the price of sugar ⅛ of a cent a pound to the consumer. This investigation may result in something ultimately, but up to the present time it has hurt the consumer. New York sets the pace in everything, according to my belief, and if you are going to have such investigations as this one, followed up in other States—"

"But," interrupted Mr. Warner, "you don't think that the Legislature would injure this corporation?"

"Oh, no," said Mr. Havemeyer. "I don't refer to our Legislature," and he spoke very sarcastically. "You know that a great many of them have not got the discretion that our Legislature has, and they are liable to work serious damage or destruction to great interests."

Chairman Lexow was hopping mad at these reflections on his pack of hunters, and he thumped the desk again, as he said:

"How could this investigation be tortured into an excuse for an advance on the price of sugar?"

"I told you," said Mr. Havemeyer, "that there was apprehension that there would be a blow struck at the sugar interest in this State, where one-half of the business is centered. This apprehension led to an inordinate demand, and the price went up. Presumably it will be lowered again. But it has gone up just the same."

Q.—How can the price of sugar go up? A.—Well, it has gone up on account of this investigation, because of the apprehension that created the inordinate demand.

HURT THE CONSUMER AND BENEFITTED THE MONSTER.

"Well," said Chairman Lexow, "that will ultimately benefit the American Sugar Refining Company, won't it?"

Mr. Havemeyer grinned as he said, "I must say that this investigation has probably redounded pecuniarily to the benefit of the American Sugar Refining Company."

"How can you say," demanded Chairman Lexow hotly, "that when you produce and put out 80 per cent. of all the sugar to the consumers, the price could have advanced unless your factories put up the price?"

"Well, that's not the way it works, Mr. Chairman," said Mr. Havemeyer. "The producers of raw sugar, apprehending the effect, have put up the price. When there is any apprehension of this kind everybody buys twice as much as he wants. That gives the excuse for the advance in raw sugar and we have to pay that advance and, of course, it has to come out of the consumer in the end."

Chairman Lexow dropped that question and asked: "Do you agree with Mr. Searles in his statement that the American Sugar Refining Company is capable of forcing down the price of raw sugar one cent a pound?"

"I can't say that I do," said Mr. Havemeyer. "I do not think that we can control the raw sugar market. All we can do is to steady it."

Q. (by Senator McCarren)—Have you any knowledge of the amount of freight that goes out of Brooklyn as the result of the sugar refining business—I mean as compared with the whole amount? A.—Why, about 90 per cent. goes to the West, and of that 90 per cent. is furnished by the sugar interest.

Q.—Have you any knowledge of the amount of labor that is necessary to handle this sugar in the city of Brooklyn, compared to the amount required to handle it in other cities? A.—Why, it takes ten times as many men to handle it in Brooklyn. Nearly all other cities are located on railroads, and the sugar is handled very easily; but in Brooklyn it has to be carted here and there and across the ferry, and I should say that there is about ten times as much labor employed, and required to be employed in Brooklyn. There is more labor employed in New York State in the production of sugar than there is in any other State in the Union, and she should be the last one to interfere with it.

At this point Assemblyman Warner broke in to nag Mr. Havemeyer because the trust deed had not been produced. Mr. Havemeyer retorted: "I have complied with every request of this committee to the utmost capacity. Every single thing they have asked for I have given them except that one thing, and I don't know anything about that. The last time I saw the deed it was in the hands of Mr. Parsons."

Mr. Parsons was hauled up next. He explained that the deed had been in his possession only as counsel for the company. That it had been made a part of a record in the North River Sugar Refining Company case, with the exception of the figures which this committee wanted, and those figures had been cut out by the permission of the former legislative committee and the court. He did not know what had become of them, and that wound up the case against the sugar monster. The one thing in the papers that the monster had produced, besides the statement of taxes, was the statement of the figures in the purchase of the various corporations in Philadelphia. In the case of the Delaware company it was shown that the valuation put on it was in sugar trust certificates two and a half times the capital value; that is to say, the plant was considered worth two and a half times more than it was capitalized at. The plant was a very old one.

WALL PAPER MONSTER A GENTLE MONSTER.

The wall paper monster was tackled next. The wall paper monster appeared in the person of Henry Burn, who said he was President of the National Wall Paper Company, which company had an authorized capital of $30,000,000, $27,500,000 of which had been issued. "The company was organized in 1892 under the laws of the State of New York," said Mr. Burn, "and I think that fact ought to make an offering of some consideration at the hands of this committee."

"Well, it would seem to entitle you to some consideration," said the boss hunter. "You did not deem it necessary to go to New Jersey to organize."

"No," said Mr. Burn, and then he went on to say that the company had acquired twenty-eight other companies who were actually competing in the wall paper business.

Q.—What territory does your company cover? A.—It covers the entire United States and parts of Canada.

He went on to say that it did about 65 per cent. of the business, and when asked to be more explicit he said that it had 188 machines, against 88 machines owned by its competitors. In addition to the common stock, he said there was a debenture stock of $18,000,000, $7,500,000 of which was issued, and on which 8 per cent. was paid. This was issued for the tangible assets, while the other stock was issued for the good will, the patents, trade marks, &c. The two stocks, he said, stood on a par. Mr. Searles was perfectly willing to tell the boss hunter much to the boss hunter's surprise, just how value was computed. He said "We took the net profits for a number of years and multiplied them by 16. That became the total amount of stock. From that we deducted the tangible assets.

Q.—And if there was no profit there was no common stock? A.—No profit, then only tangible assets went.

The hunters were simply astounded. They were more astounded when Mr. Burn told them that the monster did not control the trade, and that it had no general factor agreement, although there were some agreements of that sort made with jobbers who handled more than $10,000 worth of goods.

The hunters scratched their heads and conferred together. Once in a while they would turn their heads to Mr. Burn, and then turn back and whisper to each other again. Finally the boss Hunter Lexow leaned forward, with a self-satisfied smile, and said: "Well, were all your properties active when you purchased them?"

"Yes, sir," said Mr. Burn.

"Now," said the boss hunter, "are they all active to-day?"

"No, sir," said Mr. Burn, "the small ones have been consolidated with the larger factories, to the end that there has been a great saving in the expense of management."

"Now," said Senator Lexow again, "how many of these active concerns were discontinued or stopped at the time of consolidation?"

"I believe there were about ten," said Mr. Burn.

The hunters looked at each other and nodded and smiled "We-told-you-so" smiles.

"Forming what part of the whole?" demanded Chairman Lexow.

"The output was probably about 15 per cent. of the whole?" said Mr. Burn. "Four of these concerns are consolidated immediately after their purchase. The others have been consolidated from time to time."

Q.—(Savagely asked) What do you mean by consolidation? A.—I mean the transfer of machinery.

CHEAPENED PRODUCTION.

Q.—Did this consolidation increase or limit or restrict production? A.—Well, the only effect it had on production was that it cheapened it somewhat.

"Cheapened it?" demanded the boss hunter. "When was the production before the organization of the company?"

"The output was about 100,000,000 rolls before the consolidation," said Mr. Burn. "The first year after the consolidation the output was 130,000,000 rolls. The times have been very hard since then, and it has not always been as great as that. In 1896 it was 120,000,000 rolls."

"What are those figures you have there in your hands?" the boss hunter asked suspiciously, seeing that Mr. Burn handled a book.

"I have here," said Mr. Burn, "a copy of the case that was tried in the court when an effort was made to show that our organization was illegal." He gave it to the boss hunter and it was put in evidence.

REDUCED THE PRICE TO THE CONSUMER.

"Now," said Senator Lexow, evidently feeling that he had his man down, "what was the effect on the price of the product to the consumer?"

"Well, the first step that we took," said Mr. Burn, "was to reduce the price of our product 10 per cent."

The hunters were dazed. They gazed from one to another and then to the monster who sat in the chair. The boss hunter recovered first. "What effect has it to-day as compared with the price before the combination was formed?" he asked.

"Well," said Mr. Burn, calmly, "I should judge that all of our product was from 20 to 25 per cent. cheaper to the consumer than it was before."

Again the hunters were shocked. The boss hunter said, "Oh, the value of raw material has decreased?"

"Slightly," admitted Mr. Burn.

"To what extent?" demanded the boss hunter.

"Well, in some branches I should say it had gone down about 10 per cent., but it has increased in other directions," said Mr. Burn.

WAGES NOT REDUCED.

"But wages have been reduced," said the boss hunter.

"Oh, no," said Mr. Burn. "Our employees get the same wages, but they have a more certain employment. You see, before our company was formed, the factories in the wall-paper trade were open about six or seven months in the year; but now, under the agreement with our labor men, we keep them all open about eleven months in the year."

"Do you pay the same wages in all your factories?" asked a member of the committee.

"Yes," said the monster.

Q.—How many men do you employ? A.—I should say about 5,000.

Q.—Scattered through the United States and Canada? A.—Scattered through the United States. About half of them are in the State of New York.

"Have the jobbers in your business any organization which you deal with and which contracts the price?"

"No," said the monster, "not dealing with us. I believe there are two organizations of jobbers of our competitors."

"What?" demanded Senator Lexow, "and are they operating against you?"

"Yes," said the monster. "There are two of them operating. One of them is incorporated and the other, I don't know whether it is or not.

Q.—You have agents? A.—Yes.

SOMEBODY ELSE IS THE WALL PAPER TRUST.

Q.—Similar to those operating against you? A.—I don't know anything about our competitors. I know that there is one trust of jobbers who actively compete with us.

"Oh," said the boss hunter, relieved. "You say there is a trust in your business that operates to control the price?"

"Yes," said the monster, "I believe there is a trust that controls the price of their output, not of ours."

"And you claim you are not that trust?"

"Yes, sir, we are not," said the monster.

This was too much altogether, and the boss hunter announced that they could not go ahead with the further hunt for this monster until he had produced what agreements he did have with persons who dealt in his goods.

"The committee stands adjourned," he said, "until to-morrow morning at 10 o'clock."

And the wall paper monster went out so tickled that he could hardly restrain himself, while the members of the committee sat gazing at each other in blank astonishment.

"Did you get hold of the wrong monster this time?" asked THE SUN reporter of the boss hunter, later.

The boss hunter laughed and replied, "Well, we haven't developed this one yet. You know our mission here is to find out anyway, and if there are any good points about these corporations, why, it is our duty to report them along with the bad ones."

LEXOWING HELPS NOBODY.

A Notable Speech by Abram S. Hewitt on Hard Times and Quack Remedies.

At a conference in the United Charities building on Wednesday among representatives of the Charity Organization Society, the Society for the Improvement of the Condition of the Poor, the St. Vincent de Paul Society, the United Hebrew Charities, the University Settlements, and the City Missions it was agreed that there is not so much distress this winter as there was in 1893, but that poverty was pressing harder on thrifty workers, and that the thing most urgently needed is work. For the distribution of relief, most of the speakers agreed, the present machinery is adequate. A committee was appointed to put the conclusions of the conference into form for submission to the public. Abram S. Hewitt said:

"If the struggle with poverty, which is as old as the race, is intensified by new industrial conditions, these conditions also make the necessaries of life more accessible and more plentiful. We are richer and better off in 1897 than we were in 1893, have more of the things we need to eat and wear, and more men, on the whole, have got them.

"Some have not, and this is our problem. Some think it can be solved by legislation. It cannot. Natural laws work out the solution in the end, when the grievance becomes great enough. We are but blundering where we think to help sometimes. We have a Lexow committee hunting corporations, ostensibly trying to find a legislative cure-all. What it is doing is to try and find out who makes some money in business, and to prevent it if it can.

"That is not going to help, neither is making work for the unemployed by municipal effort. That will only attract swarms from all over the country. The more work you make the more will come, and the bigger your problem will grow. As to asking private employers to do what they can, believe me, they are straining every nerve; never had capital a tenderer conscience. The sacrifices made by it in these last years to tide those dependent upon employment over their distress I believe to be beyond all computation. I would not dare to mention figures, for fear you would discredit them. I will mention but a single instance, that of a business concern with which I am connected, not a very large one either, whose accounts were made up within a day or two, and the sacrifice of capital during the year to keep its works going was $101,000.

"I am one of those with a grievance. I can sympathize with those who have suffered, for I am of them. I was the victim of economic laws which no human foresight can apparently direct.

"We can see them in their effects, however, and know that they cannot be stemmed successfully. The distribution of wealth does not suit some of the men who have spoken here. But I ask them to point to an age in the history of the world when the distribution of wealth was so as to suit a charity-dispensing agency. The world is moving, and as it moves it grows steadily better, not as fast as any one of us might wish; still, it grows better. To aid it in that, as well and effectively as we may, is our duty and privilege, and it behooves us all to do our share."

WARNER MILLER ON TRUSTS.

They Put Down Prices, and It Seems to Make Him Gloomy.

CHICAGO, Feb. 18.—Ex-Senator Warner Miller, who has just come from Canton and who is stopping at the Auditorium Hotel, declined to give his views on the political situation in New York, but when asked his opinion in regard to the Lexow investigation he said:

"I have no impressions in regard to the course of the investigation, but I have decided views in regard to trusts and monopolies. I know, from what has been told me by interested parties, that it is beginning to be understood that the modern custom of doing business on a colossal scale is not good policy.

"The fact is, centralized capital is throwing people out of employment and producing distress on every side. The main cause of it is the putting down of prices and the resulting falling market. If it were not that I am expecting the present policy to be abandoned, I should be absolutely hopeless as to the future.

"In regard to the Nicaragua Canal, I said it will certainly be a success. The bill laid aside by the present Congress will soon be taken up by the new Congress and passed. The world needs the canal and the world will have it. The Rodriguez letter has made the impression that we have forfeited our concession. But there is not a grain of truth in that statement."

THREE-CENT GOODMAN EVICTED.

His Free Lunch Absorbed Into the Constitutions of Park Row Hoboes.

"Three-Cent Goodman," the pioneer of the cheap beer business on Park row, was dispossessed for non-payment of rent by a deputy sheriff yesterday. Not only was his stock of beer and liquors put out on the sidewalk, but also his Raines law lunch of one-cent sandwiches, one-cent eggs, and two-cent stews. The hoboes gathered from all over the city to see the passing of Goodman, and it was truly a wonderful thing to behold. As bottles and chairs came out mighty howls of glee went up from the hoboes. When the lunch came out there was a rush for it, and the entire stock had found a final resting place twenty minutes after it reached the sidewalk.

Goodman's place is in Park row, near Chambers street. Goodman was the man who cut his beer price down to three cents some time ago, thereby throwing consternation into the ranks of his competitors. Many had to follow his example, others were forced out of business, while some were able to hold to the five-cent rate and have managed to hold their own.

Goodman was not entirely unprepared for the catastrophe yesterday. He knew he hadn't paid his rent, and the agent's threats were still ringing in his ears. He figured that the trouble would get around in a week, and he was a bit surprised when Deputy Marshal Andrew Wagner and six stalwart assistants marched in his place yesterday and began carrying things out onto the sidewalk.

Some hoboes were indulging their thirst when Wagner and his men got around, and they demanded that they be allowed to finish their drinks. Wagner let them finish, but when he caught the bartender filling up all around again he gave the signal to