

## Highland Park News-Letter

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SATURDAY, MAY 27, 1905

THE boys of "The Fecit Club" are hereby authorized to accept subscriptions for *The News-Letter*. The club has appointed the following committee to have charge of the work: Allan Schaffler, Willie Wren, Clayton Denman and Allan Flinn. "The Fecit Club" will receive fifty cents on each subscription, which will be used by them in their work for the West Division Street Mission in Chicago.

### The Crime of Amalgamated

FOR the past twelve months the American people have been preparing by a course of reading for the startling disclosures of the workings of Amalgamated. Mr. Thomas W. Lawson of Boston has at last deemed the public sufficiently educated and prepared to receive the story of the real crime of Amalgamated. In a 23,000 word chapter in *Everybody's* this month he for the first time imparts startling "inside information" to his readers, showing at considerable length how two of the greatest financial leaders and the largest national banks in this country conspired to bamboozle the confiding public into paying for something and then not getting it, and without knowing that they did not get it.

This constituted the real crime of Amalgamated. After recounting the details of this nefarious operation, Mr. Lawson sums it up as follows:

To effect this they decided to allot each subscriber just the number of shares of Amalgamated necessary to render the amount of money accompanying his subscription equal to about a twenty-five or thirty per cent. payment on his whole subscription. This would constitute such a large margin as to assure the payment of the other seventy or seventy-five per cent. due. For instance, a man who applied for a hundred shares accompanied his subscription with a check for \$500. He was allotted twenty shares, value \$2,000, on which his \$500 check represented a payment of twenty-five per cent. If the conditions of the National City Bank's advertisement had been complied with, he was absolutely entitled to three shares of every five subscribed for, or sixty in all. To bring about the proportion which Mr. Rogers wanted, a bogus subscription of five or six times the unallotted balance was put in by him, and this is where the fraud was committed. The National City Bank was in duty bound to protect the public from any such bogus subscription, and to see that fair treatment was accorded to all subscribers. Yet, unfaithful to the trust, it permitted this bogus subscription to be put in, eleven hours after the bids had been opened. It utterly failed to comply with the conditions of its advertisement, and was thus a direct party to the fraud perpetrated by its president and Mr. Rogers. The exact amount of the bogus subscription could not be decided until the exact figures of the subscriptions had been compiled, so the figures I gave out that night were only estimates. Within the next few

## HIGHLAND PARK NEWS-LETTER

days it was ascertained that the genuine subscriptions totaled \$132,667,500, upon which an allotment of one share in five, or \$26,413,500 of stock altogether, was made to the public.

In this way the conspirators secured from the public \$26,413,500 of the original cost, \$39,000,000, and yet retained over \$48,500,000 of the authorized stock of \$75,000,000. In other words the public paid two-thirds of the purchase price, and the conspirators retained nearly two-thirds of the property. Considerations of space forbid my treating here the immediate disastrous results of the crime, the death-pall that fell upon the market, the pitiable plight of the subscribers, the brutal insensibility of "Standard Oil" to the frightful situation its treachery had caused.

The fraud thus perpetrated amounts to this: Every subscriber legally entitled to three shares of Amalgamated stock was deprived of two of them by the National City Bank, and the proof is to be found in the books of said National City Bank. My readers may say here that this constitutes a fortunate condition rather than a crime to be punished, for the less Amalgamated a man had, the better he was off, as the stock afterward declined. This conclusion is a false one, however.

Here, in simple terms, is an illustration of what was done in Amalgamated and of what the wrong was.

B had a valuable race-horse and decided to dispose of him in five shares. He offered these five shares for public subscription and advertised that if over five were subscribed for he would split up the shares and allot them pro rata. There were on the final day seven subscriptions. Instead of turning over the horse to the seven subscribers to own and race in their own way, B notified them that twenty-one subscriptions had been received, and that for their seven he had allotted them a one-third ownership, while the other subscribers would retain two-thirds. In the two-thirds resided the right to manage and drive the horse, and the seven had no say whatever in his direction. The seven honest subscribers, not suspecting that B had simply sold them one-third of his horse at its actual cost, and that he still retained a two-thirds ownership in him, supposed that fourteen others had subscribed on the same terms as themselves. If the horse were really able to race and thereby earn large sums of money, by this arrangement it was in B's power to make him appear so worthless that the seven bona-fide subscribers would be inclined to turn over their ownerships to B at his own figure. Contrariwise, B could so dose the horse as to make him appear more valuable than he really was, and use the advantage to dispose of his fourteen shares for fictitiously high prices.

The world assumes an attitude of horror and amazement at the mention of crime, and thousands of words are written to describe what led up to and away from one certain overt deed; but the deed itself, however grave, shameful, or portentous, seems strangely barren and bloodless set down in naked words. Yet the mountain peak that tops the great ranges is but a shoulder over its neighbor, though it may be the apex of a continent. A misconstrued word has caused the spilling of the blood of millions; the needle-point of a stiletto has severed kingdoms. Between temptation and consequence there is but little space, yet it is deep and wide enough for all the poison in the tongues of all the world's serpents. To-day, a simple peasant, humble, gentle, is an insignificant atom in the great Russian Empire, and Nicholas is the supreme ruler of rulers. To-morrow, by a simple swing of an arm a bomb is thrown, and the peasant is the one human being in all the world; the face of Russia is changed, and Nicholas—is not.

The first crime of Amalgamated is a matter of mathematics. It involved plain fraud and misrepresentation, the insertion of a bogus subscription and the disruption of solemn pledges, but the commis-

sion of it was a mere matter of arrangement between two men, one the master of the greatest of all business organizations, and the other the head of the strongest bank in the United States. The consequences were world-wide. That night no bomb was thrown, but a seed was sown for the cruellest harvest of crime, dishonor, unhappiness, and desolation ever reaped within the confines of our republic.

### Mozart Club Recital

The closing recital of the Mozart Club will take place at Mrs. Jones' studio on Saturday, June 3, at 3 o'clock. Following is the programme:

1. Class Demonstration
2. Study..... Armand Gray Stubbs
3. a. Happy Dreams..... Margaret Martin  
b. Brownie's Dance..... Margaret Martin  
Ermina Carry
4. Study..... Armand Francis Everett
5. Duet..... Good Humor..... Löw  
Marion Moseley
6. a. The Return..... Burgmüller  
b. A Study..... Burgmüller  
Laura Seymour
7. a. Barcarolle..... Burgmüller  
b. Spirit of Chivalry..... Burgmüller  
Margot Street
8. Hunting Song..... Gurlitt  
Jessie Smith
9. a. Pastoral..... Sitt  
b. Scherzo..... Sitt  
James Gould
10. Sonatine..... Beethoven  
Eleanor Gould
11. Duet..... Festival March..... Löw  
George Moseley
12. Duo for Two Pianos, Gondoliera... Reinecke  
Catherine Cushing, Mrs. Jones
13. a. Reverie..... Tschalkowsky  
b. Scherzo..... Kirchner  
Agnes Gould
14. Clover Field..... G. A. Grant-Schaefer  
Cecil Vail
15. Duet—Bal' enfans..... Polka..... Terchak  
Emma Smoot and Kathleen Bergen
16. Rondo from Sonata, op. 29..... Beethoven  
Edwin Phillips
17. Duo for Two Pianos..... Gurlitt  
Helen Morton, Mrs. Jones
18. Butterflies..... G. A. Grant-Schaefer  
Margot Cushing
19. Merry Shepherds..... Heller  
Mary Phillips
20. Gipsy Rondo—from Trio No. 1, for  
piano, violin and cello..... Haydn  
Marjory Small,  
Messrs. Colburn and Hiller

### Fined for Disorderly Conduct

Last week, Friday evening, a number of boys who have been annoying residents of the fourth ward for some time past disturbed the peace of Olaf Lindblum's household on Second Street. Mr. Lindblum went out to stop the disturbance, carrying a loaded revolver. While on the porch he fired one shot with the intention of scaring them away and this falling in its purpose he pursued them down the street, firing another shot. He was arrested and fined \$25 for disorderly conduct by Justice Hibbard. The boys are still at large.