Mr. Perkins suggests that systems of profit sharing will be introduced only by the great publicly owned trusts. Now, in Massachusetts, in Senator Crane's home State, we have had very different ideas in this respect and can offer very different examples of profit sharing as means of solving these industrial problems. Only recently the Dennison Manufacturing Co., one of our most successful industries, was capitalized at $5,000,000, with preferred stock entitled to 8 per cent. But the idea of its owners of real industrial profit sharing is this: Every cent that is earned by that corporation in excess of the dividends upon the preferred stock is distributed among those (or some of those) who do the work, and in the proportion of their supposed contribution to the success of the business. That is, the profits are applied in the exact proportion to the salaries paid. The Dennison idea of profit sharing is to give the capital a liberal return (and as it seems to me, perhaps too liberal) and after that liberal return to give to those who do the work all the rest of the profit in addition to their fixed salaries and wages. The Dennisons are a relatively small concern as compared with this great Steel Corporation. But that same principle is applied in a number of other and still smaller businesses, with some of which I am intimately acquainted.

. . . .

What have these trusts done for the consumer? Until the Commissioner of Corporations made his admirable investigations into the Oil Trust and the Tobacco Trust we were constantly told that they were, by their efficiency, reducing the price to the consumer. That claim ought now to be completely exploded, as the result of this skillful and elaborate investigation, conducted throughout five or six years, for the facts clearly prove the contrary. The trusts have not reduced prices. So far as prices have been reduced, it has been in spite of the trusts.

. . . .

As compared with the relatively high prices and exorbitant profits in the trust-controlled articles I want to call your attention to the trend of prices and profits in the book-paper business, facts of particular significance, because the principal raw material of paper—namely, wood—is, as you know, constantly advancing in cost.

Now, while oil and steel and tobacco prices have been rising, or have remained stationary, and while the rate of profit in oil and tobacco has grown larger, here are some figures on book paper. In 1889