day it is made. What creates the extra $50 debt is the year's delay in repayment—the time during which the borrower, engaged in production, is assisted by the use of tools of production furnished him by the lender. Of course, if the loan is spent unproductively by the borrower, the situation is different; but that has nothing to do with any currency question.

Moreover, bank notes in any form are not in the least peculiar in this respect. A loan of $1,000 in gold pieces, or Government greenbacks, or silver certificates, or free silver, if not repaid for a year, will create the same extra $50 debt. And so, also, on a business basis, will the loan of $1,000 worth of fertilizer, or groceries, or any other commodity.

Mr. Clay seems to be trying to discuss the currency question; but is he not really attacking the legitimacy of interest, in toto? That is his right, of course; interest may be an immoral exploitation of labor. I do not wish to consume your space in discussing that question at this time; I wish merely to call attention to the fact that that is the real purport of Mr. Clay's thesis.

G. W. C. ROSS.

NEWS NARRATIVE

The figures in brackets at the ends of paragraphs refer to volumes and pages of The Public for earlier information on the same subject.

Week ending Tuesday, May 16, 1911.

Dissolution of the Standard Oil Trust.

Among the decisions of the Supreme Court of the United States delivered on the 15th, was a notable one, the most sensational in that court for many years, which compels the dissolution of the Standard Oil trust, the official name of which is "The Standard Oil Company of New Jersey." [See vol. xiii, p. 350.]

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This company is what is known as a "holding company," a trustee for the holding and voting of the stock of a large number of operating companies in the oil business. In a suit brought against it by the Federal government for violating the Sherman anti-trust law, the lower court ordered its dissolution within 30 days, and upon appeal to the Supreme Court this decision is now affirmed, except that six months instead of thirty days is allowed the company for winding up its affairs and restoring to the respective owners the stocks it "holds" in trust.

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The decision of the Supreme Court is unanimous in its conclusion, although Justice Harlan dissents as to the line of reasoning adopted by Chief Justice White and acquiesced in by all the other Justices. Under this line of reasoning the provisions of the Sherman anti-trust statute which make unlawful all contracts or combinations "in restraint of trade or commerce" between the States or with foreign countries, mean, not every such kind of contract or combination, but only those that "unduly restrain inter-state or foreign commerce"; and the question of due or undue restraint is for the courts to determine by "the standard of reason" heretofore accepted by the British and American courts in passing upon combinations calculated "to unduly diminish competition." Holding then that the Standard Oil Company is the center of such a combination, the Court decides that it exists in violation of the Sherman anti-trust law thus interpreted, and must therefore be dissolved.

Justice Harlan's dissenting opinion was to the effect that the company should be dissolved because it is a combination for restraining trade, and not merely for restraining trade unduly. He said in part:

> It is true that there has been raised for years the contention that the act of Congress did not restrain reasonable contracts in restraint of trade, but only unreasonable contracts. Counsel in this court have in effect been required to take their seats for arguing in support of this contention. Since the law was enacted attempts have been made practically at every session of Congress since then, to have the law amended so as to give a legislative interpretation in support of this contention. But the fact remains that up until this day Congress has been satisfied with the law as written in this respect, and today the law stands that every contract in restraint of trade is illegal. . . . The important fact is that it never has been amended. There is no man in this country today who does not know it will not be amended. . . . When men of vast interests are concerned, and they cannot get law making power to enact amendments to construe the law as they desire, they spare no effort to get some case before the courts in an effort to have the courts construe the Constitution and the statutes to mean what they want them to mean. . . . In the case of overshadowing combinations of vast wealth and power, which may be a menace to the general business of the country, a law which has bestowed a wholesome rule is to be interpreted in such a way that it will not be necessary for those who have appeared as defendants to go to Congress to have it amended. . . . The opinion today means that the courts may by mere judicial construction amend the Constitution of the United States and amend the statutory laws.

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The Gompers-Mitchell-Morrison Case.

Another notable decision of the Supreme Court of the United States on the 15th was its reversal of the imprisonment decree of the District of Columbia Court in proceedings for contempt against Samuel Gompers, John Mitchell and Frank Morrison, officials of the American Federation of Labor. [See current volume, p. 109.]

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