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EDITORIAL

DR. COOKISM, ETC.

By DANIEL DE LEON

A MIDST the thunderous applause of his hearers, Mr. Francis M. Walker of the Bureau of Corporations in Washington delivered an address to the American Economic Association in the Chamber of Commerce on the 30th of last month. The subject was "The Cause and Remedies of Trusts." The principal part of the address was taken up with the "Remedies."

Of "Remedies" Mr. Walker had quite a number, the list of which, pronounced by him "the best solution," consists in taxing the Trusts "at a rapidly progressive rate on their net profits above an exempted minimum—say 10 per cent. of the net investment."

The "trick" is old—as old is the "trick" by which to dodge it.

The idea of "keeping corporations down" by limiting the profits they may pocket has spooked in the head of many a legislator before now, and the spook has materialized in a clause embodied in many a charter, now in existence. What the effect of the "Remedy" has been may be judged by the circumstance that corporations are steadily growing so mighty that "Remedies" are still being proposed.

How do and will corporations manage to escape the object aimed at by their charter clauses or statutory regulations limiting their profits? Very simply—by raising the salaries of their presidents, directors, secretaries, etc.; by adding to these sinecurists as many additional ones from the ranks of privileged stockholders, with salaries to match, as may be required to lower (on paper) the profits; also by "borrowing" moneys which never leave the bank of the loaning trustee; and many other similar devices. The huge salaries paid to the large number of sinecurist stockholding officers are and will henceforth be entered under "operating expenses," frequently under "wages"; the moneys "borrowed" are and will henceforth be

entered under some other head. The net result is that while profits will seem to conform to the statute, the, in fact, towering profits, will stick their tongue out to the statute, soar upward unconcernedly, and the concern will continue unchecked to increase in autocratic powers.

Mr. Francis W. {sic} Walker is an imitation Dr. Cook,¹ with this difference: Dr. Cook claimed a discoverer's laurels for a discovery that nobody before him had made—Mr. Walker's "remedy" is old as the hills.

The American Economic Association, which wreathed Mr. Walker with the laurels of its applause, is an imitation University of Copenhagen, with this difference: the University of Copenhagen was taken in by Dr. Cook—the American Economic Association knows better.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.
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¹ [Frederick A. Cook (1865–1940), an explorer who claimed to have reached the North Pole on April 22, 1908, one year ahead of Robert E. Peary—*R.B.*]