Dear Reader--

Welcome to the third issue of U-High’s history and economics Journal, *InFlame*! This journal will publish history and economics papers written by U-High Students semi-annually on the Lab School Website, and soon in print.

Submissions to the Journal will be reviewed by a student and faculty editorial board composed of seven students and two history teachers. The board will have a blind selection process, and will select between four and eight papers to publish for each issue.

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Mission Statement

We are a student-run journal dedicated to publications in history and economics. We wish to promote scholarly discussion by providing students a forum on which to publish and share work with their peers. Our editorial staff will work directly with authors at each stage of the publication process. As a journal, we hold ourselves to a high standard of excellence. We value honest academic research and strong theses. We look for papers of a high quality that demonstrate a clear understanding of the material, draw meaningful conclusions, and present new and interesting ideas. Our goal is to foster a community that encourages thoughtful and creative historical and economic writing.

Criteria for Submission

Must be a double spaced history or economics paper between 4 and 18 pages in length
Bibliography and endnotes in Turabian Style (guidelines here)
Must be submitted as a Word Document
Cover Page should contain title (and subtitle if applicable), author name, name of history class
1-inch margins
Double spaced
12 pt., Times New Roman font
Header: Author last name and page number
Illustrations, maps, and tables welcome
Spotlight on a Historian: John Robert McNeill (class of 1971)

**InFlame:** What drew you to history and the studies of world and environmental history in particular?

**John Robert McNeill:** As with many things in life, a hefty component of accident was involved in my path to world and environmental history. Some of my choices were influenced, on some level, by my father, a Lab graduate from 1933 (I believe) who became a world historian at the U of C (1947-87). But there were other parts too. I was asked to teach some broad courses early in my career when I could not say no, and eventually graduated to teaching world history. Teaching global-scale history for years helps prepare one to write on that scale, which I began to do only in the late 1990s. As for environmental history, the strongest influence of which I am aware was reading Alfred Crosby's Columbian Exchange one day in about 1982. It showed me how attentions to plants and animals could enrich history, and explain some things that otherwise seemed hard to explain.

**IF:** Why do you think it’s important to study history?

**JM:** I think it is important to study history for different reasons depending who you are, and for some people it is not important at all (although it might be fun anyway). For those involved in or interested in public affairs, studying history is useful to give one a sense of the range of the possible, as well as a healthy respect for the law of unintended consequences. For bartenders and baseball players, studying history is not important, although it would enrich their lives nonetheless and they might find it worthwhile. It might make them slightly better citizens, but it won't make them better bartenders or baseball players.

**IF:** What role do you think history has in understanding the present?

**JM:** History is all we have with which to understand the present. The present is, of course, the culmination of all history to date and every approach to understanding it is based, directly or indirectly on history, on the data of history. This is true even of the nominally theoretical disciplines, such as economics. All economics is based on assumptions about behavior that rest on data drawn from prior experience, in other words, from history.

If you mean history in a more restricted sense, such as the formal discipline of history (as opposed to the totality of the past), I would say it is still essential to any profound understanding of the present. For this purpose, modern history is more important than the deeper past, but even that has its uses, often unexpected.

**IF:** Did going to the Lab Schools influence your desire to be a historian?

**JM:** I can't say whether Lab had any impact on my decision to become a historian. I made that decision, or at least the decision to try to become one, at age 21, five years after graduating from U-High. Certain parts of my Lab education proved useful, and perhaps helped me select my path. One was my study of French since the third grade, which left me with a pretty good foundation in that language. Another was at least a modest ability to write clear English. But when I left Lab I thought I wanted to focus on math and physics, and indeed briefly did so before finding my way to history.
Censoring the American Film Gangster

Maddie Anderson

“All you owe the public is a good performance,” said Humphrey Bogart to Frank Sinatra.¹ One of several iconic twentieth century American film gangsters, Bogart and his contemporaries fascinated the American public for decades as the stars of topical, exciting, and in many ways scandalous films. The public idolized film gangsters - public heroes in their film representations of public enemies - for their every “good performance.” Others, however, found the films’ recurrent themes of violence and sex offensive. The found the romanticization of real life villains and the idea that the ethnic lower class could rise in society by way of crime destructive. These groups of people then felt it their duty to monitor the gangster genre, which gave rise to the introduction of film censorship. Over time, censors and their demands changed just as the gangster genre and its subgenres adapted to skirt such demands. Specifically, the evolution of the gangster genre from silent gangster films to films noir reflects Hollywood studios’ circumvention of first Protestant, then Catholic, then federal efforts to establish a Hollywood in keeping with their moral and social definitions.

Silent movies between 1910 and 1920 emphasized a change from Victorian to modern life. Movies such as the Musketeers of Pig Alley (1912) and Regeneration (1915) comprised both melodramatic Victorian based narratives emphasizing redemption and modern representations of the urban ethnic lower class. In terms of the cultural practice of movie going, films moved from the ghetto theatre to Main Street and thus provided entertainment for all classes. Although silent films portraying the reality of crime in the slums with authentic locations and realistic representations of gangs, gang warfare, and
corrupt police did not begin to attract huge audiences until the sound era of the 1930s, they ultimately gained a cross-class appeal. During this time period, almost twenty-five percent of Americans identified as Evangelical Protestants and forty percent of Americans identified as white, non-fundamentalist Mainline Protestants. Protestants showed investment in a virtuosic Victorian America removed from the corrupting forces of the international world. Not surprisingly, then, Protestants perceived such wide scale representations of the ethnic urban lower class as examples of the powers of consumerism and modernization. In one example of a Protestant call for censorship, Dr. A. T. Poffenberger had this to say about the film industry:

As an agent of publicity, with its immense daily audience of young people, it has great possibilities for creating and developing in them a true spirit of Americanism, a respect for law and social order which are recognized as the essentials for a democracy. Rightly used, the motion picture is indeed one of the most powerful educational forces of the twentieth century. Its possible influence in the Americanization of our foreign population, through a medium which shall be intelligible to all, regardless of race, is scarcely yet realized. But wrongly used and not carefully guarded, it might easily become a training ground for anti-Americanism, immorality and disregard for law…We have therefore…to meet an emergency, to begin in time to make this truly public school the kind of educational force it should be.

Protestants encouraged the censorship of silent era movies as an attempt to secure the continuity of their definition of Americanism.

Protestants’ desire for censorship was soon met with the 1915 introduction of film censorship with the declaration that motion pictures would be excluded from the First Amendment right to free speech. The landmark case involved the Mutual Film Cooperation’s profit based appeal against the Ohio State Censorship Board’s censure of D.W. Griffith’s Birth of a Nation and its demands for costly reworking of the film.
National Board of Review came to the defense of the Mutual Film industry, attempting to reach a fair consensus on the requisite moral standards the movie industry would be held to. The case deemed films’ moral standards negotiable and the Board named itself the negotiating agent. In a short time, the board published a 23-page booklet of formal standards designed to show the industry’s awareness of its influential position in society. As Munby states, “it was prepared to police itself in the name of “responsible freedom”—a phrase representing the balance between the economic necessity of ‘giving the audience what it wants’ and the moral responsibility of ‘telling the audience what it should want.’”

In an attempt to answer the demands of censorship and to remain self-regulated rather than government regulated, Hollywood Studios created the National Association of the Motion Picture Industry in 1916, which published its ultimately ineffective “Thirteen Points” in 1921 as a series of guiding codes. In 1922, then, the Motion Picture Producers and Distributors of America replaced the unsuccessful Association behind a more credible face - Will Hays, chair of the Republican National Committee and a prominent conservative Presbyterian, previously manager of President Harding’s 1920 campaign and subsequently appointed Postmaster General. The appointment aimed to help alleviate Protestant fears and cultivate greater support towards theatres.

Just a few years later, in 1929, many Protestants declared a desire for federal legislation against block booking, a practice that forced theatres to buy blocks of films rather than singular feature films. Protestants deemed the principle of block-booking an affront on free business practice because it forced exhibitors to exhibit material that they might otherwise have rejected on moral grounds. In response, prominent Catholics
Martin Quigley and Father Daniel Lord proposed a working formula that would not attack the principle of block-booking largely because it would be easier for Catholics to fight a single battle in Hollywood than to confront thousands of individual exhibitors. The Catholic Legion of Decency endorsed their formula rather than the federal government and, because the formula didn’t object to monopolistic practices like block booking, the Legion developed a successful working relationship with the movie industry.\(^9\)

In one sense, Catholic leaders felt obliged to monitor the Hollywood films because Catholics constituted a major part of the movie going audience as a large contingent of the United States’ urban working class. Catholic reasoning for encouraging film censorship differed sharply from Protestant reasoning. Concerned with issues of moral lapse rather than an “un-American” Hollywood, Catholics defended the idea that America was a plural society. They harbored a melting pot ideology: a new American identity could be forged out of a mixture of ethnic contributions. Concerned solely with promoting a Hollywood in keeping with Catholic morals, Catholics did not want to define a particular national identity but rather a universal monolithic Catholic identity.\(^10\)

As Catholics began to monitor the gangster genre, the genre began to shift from silent to talking gangster films. The silent era influenced the sound era in both urban setting and in thematic motifs such as a gangster as both a hero and an enemy. However, the addition of sound itself provoked major changes, as film producers no longer needed to have dialogue to appear on the screen and action could therefore move at a pace which more accurately evoked the pace of modern society. Further, sound rendering of violence created the gangster as a film spectacle and depicted the gangster as uncontrollable. The
films opened a dialogue between one “half” of culture and the other, acknowledging society as segmented rather than seamless. The gangster films therefore drew at the box office because they brought into prominent discussion realities previously not discussed. As the sound era ushered in the mass popularity of gangster films, studios began to compete to produce the films.11

Warner Brothers’ *The Lights of New York* (1928) became the first talking gangster film, an urban crime drama that shocked audiences with exciting sound effects, squealing getaway cars and gunshots. Warner Brothers presently became the gangster studio *par excellence*, and established a star-triumvirate in its gangster cycle of Edward G. Robinson, James Cagney, and Humphrey Bogart. All New Yorkers, some ethnic, some Jewish, all not particularly handsome, Warner Brothers gangsters surprisingly gained huge popularity through their roles in Warner Brothers hits such as *Little Caesar* (1930) and *The Public Enemy* (1931) because their roles closely mirrored real life gangsters such as Al Capone who fascinated the masses. The scandal of the gangster films lay in their romanticization of real life crime and also in their depiction of molls - gangsters’ prostitute sidekicks - as central to their plots.12

Offended by films’ portrayals of violence and sex, Catholic leaders Quigley and Lord created a code of standards and, in 1930, submitted it to the Motion Picture Producers and Distributors of America, or, as it was commonly known, the Hays Office, arguing that society needed a coherent code that would govern Hollywood’s self-regulation and would be widely respected. The Hays Office had previously instituted “The Formula,” a loose set of guidelines for filmmakers, in an effort toward movie industry self-regulation, in 1924 and created a code of “Don’ts and Be Carefuls,”
outlining potential issues that movies might encounter, in 1927. Studios had largely ignored both documents despite Hays’ efforts, but they now endorsed Quigley and Lord’s Production Code. Among other rules, the code prohibited "pointed profanity" in either word or action, inclusion of "scenes of passion" unless they were essential to a film's plot, justification or explicit coverage of adultery, "sex perversion," sympathetic treatment of crime or criminals, dancing with "indecent" moves, and white slavery. Because of their involvement in the drafting of the Code, many studio executives consented to submitting their scripts for consideration, though it would take the creation of a new department for the Code to be fully endorsed in late 1933.

That year, widespread destitution brought on by the depression of the age and cultural resentment for Protestant elitism ran high. Consequently, Roosevelt reached out to Catholic leaders and Catholics entirely replaced Protestants at the center of movie censorship, a position they had long been inching towards. As a result, the Catholic Legion of Decency, determined to bring about endorsement of the code, launched plans to boycott films they deemed immoral. The boycotts provoked the 1934 MPPDA creation of a new department, the Production Code Administration (the PCA), headed by Joseph Breen. Far stricter than Hays’ office, Breen’s office ended previous movie industry attempts at self-censorship, and made binding decisions; no film could be exhibited in an American theater without a stamp of approval from the PCA. The PCA even enacted a brief moratorium on gangster films in July of 1935 by a tremendous media fascination surrounding the real life outlaw-gangster John Dillinger’s 1934 death and general escapades directly motivated this prohibition. Because they feared romanticization of Dillinger, Catholics grasped another opportunity to demand suppression of the general
representation of gangsters.  

Well rehearsed in how to skirt code prohibitions of gangster subject matter by the time of the 1935 moratorium, Hollywood’s sophisticated range of skirting strategies allowed it to keep the gangster cycle alive and continue to provide roles for its stars. As a side effect of Hollywood’s attempt to circumvent censors, filmmakers began to operate beyond established gangster conventions. Films removed the gangster from the traditional class and ethnic affiliations by turning him into a fugitive, a cowboy, a G-man, etc. The G-man (government man) film was contradictory in that the FBI had to be more violent than gangsters to prove its abilities and to retain audiences and therefore often looked more fascist than the gangsters, but it particularly helped to revive the gangster genre post-code. Beyond the G-man film, prison crime films became very popular with themes concerning vindictive wardens, innocent men wrongly imprisoned, methods of evasion, etc. These types of subgenres carried the gangster film through the second half of the 1930s until 1939 when World War II began.  

During World War II, the government Office of War Information (OWI) replaced religious agencies at the center of film control. At the beginning of United States involvement, two weeks after Pearl Harbor, President Roosevelt declared that the movie industry could make "a very useful contribution" to the war effort. But, he went on, "The motion picture industry must remain free . . . I want no censorship." The wartime administration wanted to manufacture a positive image of the American way of life and saw gangster films as threatening to that purpose. Thus, the federal government established two agencies within the OWI in 1942 to supervise the film industry: the Bureau of Motion Pictures, which evaluated scripts submitted by the studios, and the
Bureau of Censorship, which oversaw film exports. Presently, the BMP issued “The Government Information Manual for the Motion Picture,” asking filmmakers the question, “Will this picture help to win the war?” The presence of OWI in Hollywood increased as time went by, and by 1943 almost every studio allowed OWI to read all movie scripts. Hollywood showed interest in helping with the war effort, and cooperated even though OWI didn’t have any power to outright censor their movies and failure to comply had no consequence. From 1943 to 1945, however, congress opposed to the domestic operations of the OWI and increasingly curtailed its funds. Ultimately abolished in 1945, the agency transferred its foreign functions to the Department of State whose monitoring rights were smaller than the OWI’s. The Department of the State felt it important that movies encourage a positive image of America since America had taken on a role of international importance postwar. Many viewed the gangster film as uniquely antagonistic during this period because it invoked memories of the New Deal and the depression, which interfered with the project of cultural reprogramming. Therefore, when, in 1945, King Brothers produced the film Dillinger, a picture clearly rooted in prewar culture, it generated criticism from all kinds of interest groups, demonstrating Hollywood crucial position in postwar struggles. PCA files show that the Breen office actually passed the film with little problem as it gave its audience a classic example of how “crime doesn’t pay,” but, once revealed, interest groups found a common enemy in the return of the gangster film.

Frank Borzage’s letter of complaint to film industry’s trade association, the MPAA in reference to Dillinger provides an example of a common criticism of the gangster film:
I have viewed with growing alarm the trend towards another cycle of gangster and racketeer films. Nothing can do this country and the motion picture industry more harm at this particular time than films designed to glamorize gangsters and their way of life.

At present our entire nation is working desperately on a plan, which will bring peace and prosperity and good will to all the world. Foreign nations are looking to the U.S. for guidance. Much of the guidance and influence we will wield on the outside world will be transmitted through the medium of the motion picture.

This is certainly an inopportune time for us to convey the impression that America is made up largely of gangsters, black market operators, petty racketeers and murderers.²⁰

Hollywood film studios cooperated with the OWI in its efforts to promote a positive image of America and adapted standard gangster narratives to feature Nazis in place of usual gangster villains. Studios could now appeal to the audience with typical gangster film violence but avert censors’ boycotts and protests because the movies portrayed American nationalism.²¹ Although Hollywood lost access to foreign markets during war, the war constituted a major boom time: box office revenues jumped from highs of around $2.5 billion per year in the 1930s to $4.5 billion in 1946.²² Most of the movies produced had a context of war, and some films directly tied with a past event, or even a current event that synched the movie’s release with real life events.

_Casablanca_, produced by the Warner Brothers, starring Humphrey Bogart and set in the Moroccan city of Casablanca in unoccupied French North Africa, which served as an exit point for Europeans seeking to flee war-torn Europe, represented the kind of film produced during the World War II period.²³ The film is also indicative of the importance of the Warner Brothers studio in particular, a company that had retained the same excellence that set it apart during the 1930s.

The postwar gangster feature was different than its predecessors: aspects of its
forerunners were dropped such as the ghetto/urban ethnic context and some aspects were intensified, such as psychopathology or crime as an endemic national condition. Such changes could be interpreted as the triumph of moral monitors since the context, violence and potential for upwards mobility that threatened existing American hierarchy had long been what various religious agencies has been after. However, the changes could also be interpreted as resulting from the same skirting strategies that led to postcode changes in the 1930s.

In one sense, the pervasive crime motif of the postwar films was a reinvocation of the fugitive-gangster cycle of the pre-war years. The criminal images that disassociated the criminal from the mainstream of American society and characterized the gangster’s criminal motivation as arising from a deviant mind most avoided censorship concern. Further, more federal censorship after the war and restricted foreign distribution during the war meant that studios had to depend mainly on domestic revenues. Expensive A-list feature studios in particular had to be careful to meet all censorship demands if they wanted the certificate for international release necessary to cover costs. B-list features, however, did not traditionally rely on the international market anyway and therefore were not held to the same censorship demands as A-list feature studios. B-list features had the opportunity to monopolize the overwhelming public appetite for crime thrillers. Often violent and often sexually motivated like traditional gangster films, B-list feature films also conveyed complex and pessimistic messages about life in postwar America. MGM studio in particular produced several films such as *Border Incident* (1949), *Scene of the Crime* (1949), *Mystery Street* (1950), etc., which painted a disturbing picture of the psychologically crippled postwar American culture. At least at the B-list level,
production companies had no fear of continuing to make gangster and other kinds of crime films despite censorship concerns. In fact, crime features made by smaller producers comprised one third of products denied export licenses by the State Department’s Office of Censorship.

At the war’s end, independent studios and quasi-independent offshoots of major studios widely produced the crime film, many of which comprised film talent once associated with Warner Brothers’ crime and social problem films of the 1930s. In fact, while Warner Brothers’ gangster film production decreased rapidly after the war, low-budget independent crime film production rose from forty films in 1945 to one hundred by 1947. Thus, it could be argued that the changes in gangster films indicated the cycle’s rebirth in less policed and less conservative sectors of the industry rather than censors’ success in outlawing the cycle. This genre of postwar gangster films is therefore directly connected to its pre-war precedents rather than an independent period of Hollywood filmmaking as many argue.

Although not all postwar gangster films were film noir and not all film noir were postwar gangster films, the French termed the postwar period of pessimistic, dark, sexually motivated and cheap films an era of film noir. The films often used low-key lighting, shadow, unique camera angles, and a conflicted antihero that viewers could empathize with. Besides the numerous lesser-known independent films that came out of the era, Warner Brothers had breakout hits in this era as well. Two of Warner Brothers’ actor triumvirate, Humphrey Bogart and James Cagney had starring roles during the period: Bogart in High Sierra (1941) and Cagney in They Drive By Night (1940). The film noir genre retained its popularity throughout the 40s and 50s, producing many hits
such as *Touch of Evil* (1958), *White Heat* (1949) and *The Asphalt Jungle* (1950), only giving way to neo-noir mid-way into the Cold War.\(^{27}\)

Post 1970s Neo-noir, though an outgrowth of film noir, had its distinguishing features. Neo noir tackled stories and themes even more corrupt and pessimistic than film noir, demonstrating deeply unlawful cops, serial killers, psychopaths and young fugitive couples running from the law. The new outgrowth intensified an already violent genre. The genre is also more technically innovative beginning with the mid-1950s CinemaScope, VistaVision and the use of wide screen and color. *Psycho* (1960) is one famous film exemplary of the genre and later *The Godfather* (1972), which ushers in a new neo-noir theme: focus on the mafia and the mobster.\(^{28}\) Many films deemed the best of all time (such as *The Godfather*) stem from this period. Notably, many of even today’s films are classified under the neo noir genre such as *Public Enemies* (2009), *Drive* (2011), *The Girl With the Dragon Tattoo* (2011) and *Gangster Squad* (2013).\(^{29}\)

The gangster genre has seen much evolution from its silent era origins and Films such as the *Musketeers of Pig Alley* (1912) to modern neo-noir era films such as *The Godfather* (1972). This evolution arose from film studios’ skirting of first Protestant, then Catholic, then federal censorship demands. Though neo-noir is still prevalent today, the classical gangster from whom the film noir genre (and the new noir) arose is less visible in modern films. Like all art forms, the gangster film has and continues to shape and be shaped by society.
End Notes

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16 Mason, American Gangster Cinema, 31-35.
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The Penny Press: A Paper for the People

Sheridan Small

Thomas Jefferson said in 1787, “The basis of our government being the opinion of the people, the very first object should be to keep that right; and were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.”¹ Before the 1830s, newspapers in the United States consisted of huge broadsheets containing shipping and commercial information directed towards the mercantile elite and long editorials backing political parties. These newspapers were called “blanket sheets” because they were so large a man could sleep under one.² They were of little interest to the common people because of their elaborate writing styles and focused content.

The arrival of the penny press in 1833 transformed the newspaper, making it more appealing and accessible to the average American. A more sensational approach, combined with a lower price, targeted an untapped audience and demonstrated a shift in priorities. Newspapers moved away from affiliations with political parties and towards more factual newsgathering. As literacy rose, the working class bought more newspapers containing fascinating “human interest” stories, which in turn further increased literacy. There was a strong correlation between the empowerment of the common people and the appearance of the penny press. As the press evolved to cater to the needs of the ordinary man the new papers were “spokesmen for egalitarianism ideals in politics, economic life, and social life through…their emphasis on news… and their decreasing concern with the editorial.”³ The end result was the prototype of modern newspapers and an empowered common class, in both society and politics.

Before the 1830s newspapers were written with the professional elite in mind. They were usually backed by a political party and contained important business and political information as well as lengthy editorials. The commercial dailies contained news about tariffs and the national bank, including lists of commodity prices, ship sailings, commercial or legal notices, and ads for wholesalers. The readers only wanted information they could use in their jobs. They picked up
gossip at the “Merchant’s Exchange and in their clubs. They knew little, and cared less, about what the common folks were doing.” These commercial papers did not usually send out reporters, but reprinted what others printed, such as lists of out-of-towners, government appointments, or military promotions. Editors were often given political positions if they were sufficiently enthusiastic towards their party. Therefore “news” was subordinate to the dissemination of social and political opinions of the elite.

These broadsheets did not have a large circulation due to their narrow audience and high price. By 1820, only 512 newspapers were published in the US. Newspapers depended on upper-class men who bought yearly subscriptions in support of their political party. Bankers and merchants viewed their ten-dollar a year subscription as a badge of status. Annual subscriptions cost between six and ten dollars. Papers cost six cents per issue at a time when city workers often made less than 85 cents a day: “After twelve hours of hoisting, digging, or loading, even those laborers who could read were more inclined to spend a spare penny on grog [an alcoholic drink] than on a newspaper.” Additionally, printers usually did not sell one issue at a time, so the only available option was a subscription. During this time, newspaper circulation did not exceed 1,500 newspapers per year.

Editors often used flowery and complex language as they directed their opinions towards the educated class. Thus papers were often “beyond the comprehension of the great mass of the people.” Newspapers and editors were highly resistant and unlikely to change any aspect of their newspaper: “Every newspaper writer and every printer in the United States had been educated for half a century in the belief that no journal of any respectability could be established without the consent of politicians and the pecuniary aid of party.” Some people, however, were ready for a change. If not ready to be entirely politically independent, they at least wanted President Jackson to stop interfering with the press. Jackson often rewarded editors who painted him in a favorable light with jobs. The Richmond Enquirer wrote: “We wish the Executive would let Press alone…” In the 1830s, the penny press helped deliver less politically biased news to
the general public.

With rising literacy rates, more pamphlets, cheap books, almanacs, religious tracts, and workers’ papers were being published, typically directed at the newly literate masses. The opportunity for a new paper for the neglected people loomed large. The first successful penny paper was the New York Sun, founded in 1833 by Benjamin Day, a man without political connections or correspondents and barely any money. Day came to New York as a compositor and started the Sun out of financial desperation during the depression of 1833. The New York Sun had a commercial imperative, not a political or ideological one. Day promised to have “no partisan affiliation and no subsidy except advertising.” Within two months the Sun claimed that, “the penny press, by diffusing useful knowledge among the operative classes of society, is affecting the march of independence to a greater degree than any other mode of instruction.” The Sun’s motto was “It shines for ALL.” Only four pages, 11 by 8 5/8 inches tall, it could be folded up and put in a pocket. The first issue contained short, readable items written in the vernacular of the street about “ordinary people confronting life in the big city.” It also announced that its object was to “lay before the public, at a price within the means of everyone, all the news of the day, and at the same time afford an advantageous medium for advertising.” The Sun was hugely successful because it was truly a mass medium: “Day sent the same message to nearly every segment of society.”

Day was able to price the Sun at a penny per issue because he relied on advertising for revenue. Because ad rates were dependent on audience size, Day charged more for advertising when he sold more papers. Day wrote articles with his readers in mind, letting the common people determine the paper’s style. The same factors determined the choice of ads. The diversity of the Sun’s audience is demonstrated in the types of ads published. For example, a selection of ads from 1835 describes the audience: “Wanted – A small Girl to take care of a child.” Another ad was placed by “a young Woman that can give unexceptionable references” seeking a job as a chambermaid or nurse. In another advertisement, “A young married Man (an American) being
out of employment, is desirous of obtaining a situation as indoor or outdoor Clerk.” Other advertisements on the same page offered “bricks for sale to contractors, fresh potatoes to consumer, and a bottle-corking machine to brewers or other bottlers…[and] lessons on penmanship and bookkeeping.” Theaters and museums advertised extensively. Advertising in established journals addressed the reader as a businessman interested only in shipping or as a lawyer interested only in legal notices.

With the advent of the penny paper, advertisers increasingly addressed the reader as a human being with needs. For instance, there was increased advertising for patent medicines, a commodity in great demand by the general public. An important publisher and editor of the time, James Bennett, had a managing editor who wrote: “the advertisements…are the hopes, the thoughts, the joys, the plans, the shames, the losses, the mishaps, the fortunes, the pleasures, the miseries, the politics, and the religion of the people.” The penny paper gave equal rights of advertisement to all, as long as they paid: “They proudly denied their own authority or responsibility for exercising moral judgment in advertising matters.” Advertising revenue made it possible for editors to experiment with new methods of gathering and improving news. The world of the working class revolved around the few blocks where they ate, worked and shopped, so Day introduced street sales by employing newsboys. Day cheaply employed orphans who lived on the streets. The newsboy came to symbolize “hard work and self-reliance.” The low price of one penny and the availability of single issues allowed workers to pick up papers on the move and avoid high subscription costs. The Sun was so successful that Day quickly had imitators, such as the Transcript, the Man and the Herald, as well as other penny papers in Boston, Philadelphia and New York. Day had made ordinary people the center of attention. By January 1832 the Sun had a circulation of 5,000. Within two years it was selling 15,000 copies a day. The combined circulation in 1825 of the Evening Transcript and the New York Herald was 44,000. When the Sun began in 1833 the combined circulation of the city’s eleven dailies had been only 26,500.

James Gordon Bennett, the editor and publisher of the second successful penny press, the
New York Herald, was one of the most influential men in the transformation of the press. In 1835, after he failed to get a job at the Sun, he used all of his money, five hundred dollars, to rent a basement and print his paper. He took charge of everything himself. He prepared, arranged, and performed, “all leading articles, police reports, literary intelligence, pungent paragraphs, news from abroad and from home, account books, bills, [and] clerks’ duties in the office.”26 In the first issue he wrote, “We shall endeavor to record facts on every public and proper subject stripped of verbiage and coloring…it is equally intended for the great mass of the community – the merchant, mechanic, working people – the private family as well as the public hotel – the journeyman and his employer – the clerk and his principal.”27 He vowed to stay away from partisan politics: “We mean to…openly disclaim all steel traps, all principle, as it is called – all party – all politics. Our only guide shall be good, sound, practical commonsense, applicable to the business and bosoms of men engaged in everyday life.”28 Bennett’s article on the murder of Helen Jewett displays his dedication to the edification of the common people. He wrote that when he investigated the case of Helen Jewett, he was allowed to enter the crime scene because the police reportedly said, “He is an editor – he is on public duty.”29 Other writers and editors frequently insisted on their independence as the servants of the public.30

Bennett helped develop modern newsgathering. He did not print the official version of events, but went out to make inquires of his own. He demonstrated this skill in his coverage of the Great Fire in December 1835. Bennett printed first-person narratives based on walks through the affected area. He also published maps and sketches of the burned Merchants’ Exchange.31 Bennett realized the value of reporting on church meetings, social functions and Wall Street. Don Seitz said Bennett’s purpose was to “tell all that was worth telling about everybody and everything.”32 The Herald demonstrated the possibility of the American Dream in the Age of Jackson and the empowerment of the common people. In March 1836 Bennett wrote, “In a city of this kind there is no limit to enterprise, no bounds to the results of industry, capacity, and talent. I began the Herald last year without capital and without friends…the public are with me. They feel
my independence – they acknowledge my honesty – and, better than all, they crowd in their
advertisements.”33 By the end of his career Bennett created a newspaper read by a diverse
audience of Americans.

The penny press revolutionized the content of newspapers. In order to attract more
readers, newspapers published anything that was not too inappropriate. Charles Dana of the New
York Sun said he was ready to report “anything that God let happen.”34 In fact the penny paper’s
creed was “One, the great common people should have a realistic view of the contemporary
scene, and this in spite of taboos. Two, abuses in churches, courts, banks, stock markets, etc,
should be exposed. Three, the newspaper’s first duty is to give its readers the news, and not to
support a party or a mercantile class; and four, local and human-interest news is important.”35 For
the first time newspapers regularly printed foreign, domestic, local and national news. Reporters
were hired on a daily basis for the first time to cover specific stories: proceedings of police,
courts, commercial districts, churches, high society and sports. By printing these reports,
newspapers began to reflect “the activities of an increasingly varied, urban, and middle-class
society of trade, transportation, and manufacturing.”36

The speed with which news was transmitted by word of mouth in small towns was proof
of how popular gossip was. New York was too large for gossip to circulate orally, so Day decided
to include that information in the Sun in the form of “human-interest stories,” which would
become an important facet of journalism. The term “human-interest stories” was first used at the
Sun to describe small reports of sad or funny incidents in the lives of people.37 These stories were
considered “trifling and gossipy” by many, but by drawing people in, they encouraged people to
read newspapers and made the news popular.38 The first human interest story was about “Miss
Susan Allen, who bought a cigar on Broadway and was arrested when she smoked it while she
danced in the street,” and was “featured more prominently than the expected visit to New York of
Mr. Henry Clay, after whom millions of cigars were to be named.”39

Sensationalist stories made the newspaper personal and close to the life of the reader.
Bennett created a “letters” column in which readers commented on the paper and events.\textsuperscript{40} Crime was reported extensively for the first time. Some argued that by emphasizing crime news publishers exposed “the corruption, cruelty and class bias of the criminal justice system.”\textsuperscript{41} Penny papers also reproached judges who showed favoritism for the elite: “In a period when those in the working class were convinced they did not get a fair shake from the judicial system, the penny papers helped keep the judges and juries honest.”\textsuperscript{42} Politics, however, were generally avoided in the beginning of the establishment of the penny press. Politics were considered a tyranny of the old Party Press and thus were not “safe in a business point of view, to meddle with the exciting element.”\textsuperscript{43} There was an increasingly democratic attitude towards events in the world. Any event, no matter how trivial, qualified for print in the paper. The penny papers created a genre of writing that acknowledged and enhanced the importance of everyday life. As news increasingly represented events in the world in a dramatic and appealing way, papers were not compared for opinions but for “accuracy, completeness, liveliness, and timeliness.”\textsuperscript{44} Penny papers tried to describe everyday life in a realistic manner, leading to increased emphasis on objective reporting as public demand for facts grew. “Journalists,” populating a profession distinct from that of editors and publishers, were proud when they reported the essentials of “hard” or “spot” news “free from the distorting influences of personal opinion.”\textsuperscript{45} News began to reflect trends in social life, accelerating them by spreading mass culture.

The variety of stories in the penny papers attracted a huge and diverse audience, increasing literacy and spreading interest in news. Penny papers tried to win the support of women. In its first issue the \textit{New Era} wrote that the seamstresses of the city “had a new friend.” The \textit{Herald} publisher bragged of his large sales among women, adding “I have the generous, the liberal, the lively, the intelligent public with me, especially all the ladies.”\textsuperscript{46} The readership and number of papers increased dramatically between 1830 and 1840. In 1830 there were 650 weeklies and 65 dailies. The average circulation of a daily was 1,200, so the total daily circulation was roughly 78,000. In 1840 there were 1,141 weeklies and 138 dailies. Dailies averaged 2,200 in
circulation for an estimated total daily circulation of 300,000. In 1836 the Public Ledger wrote: "In the cities of New York and Brooklyn…the daily circulation of the penny papers is not less than 70,000. This is nearly sufficient to place a newspaper in the hands of every man in the two cities, and even of every boy old enough to read. These papers are to be found in every street, lane, and alley; in every hotel, tavern, counting house, shop, etc. Almost every porter and drayman, while not engaged in his occupation, may be seen with a paper in his hands." Family Magazine wrote in 1834 that the penny papers “reach the very depths of the social state, and move the mighty waters that lie undisturbed and stagnant below the reach of our daily mammoth sheets.”

Penny papers started by making the common person feel valued and ended up increasing the worth of each newly educated, enlightened man in the eyes of society. By receiving daily news from their own, independent source, the lower classes were largely freed from the elite. Mott comments on the impact of the news on not only common people but the rest of society in 1834, “The drayman with a newspaper in his hands was a far more important social and political unit than he had been in the days when his information came down to him from the mercantile and educated classes.” In June 1835 the Journal of Commerce, a “blanket sheet” paper, described the penny press: “They circulate as pioneers among those classes who have suffered greatly from want of general intelligence. Let all classes of the community but read, and they will think…those who have read them will, as a natural consequence, come more or less to the commission of the execrable offense of forming opinions for themselves…they are less partisan in politics than the large papers, and more decidedly American…”

Visitors to the United States disapproved of the content of American papers, but were in awe of the effect they had on the people, widespread literacy and interest in reading. An Englishman who visited in 1837 thought the American newspapers were “dreadfully licentious” but he was impressed by the sight of “cabmen, boatmen, tapsters, oyster women, porters” all reading and commenting on the daily news. A visitor to the United States in 1833 wrote, “The
influence and circulation of newspapers is great beyond anything ever known in Europe. In truth, nine tenths of the population read nothing else…Every village, nay almost every hamlet, has its press…Newspapers penetrate to every crevice of the nation." Although the first penny paper was designed with the “common people” in mind, it quickly attracted readers from all social and economic levels. Subscribers to six-penny papers would still pick up a penny paper on their way home from work. As literacy rose, people began to demand a better product, and thus the quality of penny papers increased. Walt Whitman wrote in the New York Aurora in the 1840s: “Among newspapers, the penny press is the same as common schools among seminaries of education. They carry light and knowledge in among those who most need it. They disperse the clouds of ignorance; and make the great body of people intelligent, capable, and worthy of performing the duties of republican freemen.”

The penny press not only revolutionized the newspaper industry, but also helped democratize society and the economy during the progressive period called by many names, among them the Age of Democracy, the Age of Jackson and the Age of the Market Revolution. The creation of a press responsive to the needs of the common people empowered them with feelings of pride as well as with necessary knowledge of the world. By making news available to all in a palatable form, the creators of each penny paper increasingly democratized the news, sale methods and advertising. This in turn encouraged, and was encouraged by, the democratization of the market and society during the first half of the nineteenth century. Each person, no matter what class, became more important as an individual unit to politics, society and the economy. The elite’s isolation and influence were threatened by the rise of the lower classes, yet the nation as a whole profited from more intelligent, independently thinking citizens. Today’s citizens benefit as well, since the penny press introduced news topics highly valued today, while establishing the base for modern journalistic methods and values.
End Notes

9 Tebbel, The Compact History of the American Newspaper, 80.
10 Hughes, News and the Human Interest Story, 7.
13 Ibid., 96.
15 Emery, The Press and America, 140.
17 Schudson, Discovering the News, 21.
19 Ibid., 8.
20 Schudson, Discovering the News, 19.
21 Ibid., 26.
22 Ibid., 20.
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Rights and Responsibilities of a Senator: Stephen A. Douglas, the Lecompton Constitution, and the Chicago Push

Anna Knes

Since the founding of the United States, Democratic presidents, including Thomas Jefferson, James Madison, James Monroe, and Andrew Jackson, fought for popular sovereignty—the right for citizens to govern themselves. This fight for justice weakened as the central government began to assert more power over the country, as seen in the Dred Scott Decision, which discredited popular sovereignty altogether. The fight was revived when Stephen Arnold Douglas (1813-1861) assumed full responsibility for voicing the rights of the people and fought for true representation by popular sovereignty against the coerced ratification process of the Kansas Lecompton Constitution in 1857, the document supported by President James Buchanan (1791-1868) that would admit the Kansas territory as a slave state. Douglas actively sought to avoid the slavery issue for as long as possible and instead advocated popular sovereignty, which included self-governance, to vote on slaveholding abilities in their territories. He initially had evaded direct mention of slavery in the Kansas-Nebraska Bill of 1854, but after two failed drafts, he included a clause that repealed the Missouri Compromise, and thus repealed laws previously made to contain slavery, to pass the bill with a Senate majority.¹ Douglas modified the Kansas-Nebraska Bill in the name of popular sovereignty, which opened the entire West to the possibility of slavery, angering many Northerners and prompting the formation of the Republican Party.

Douglas’s decision in 1857 to redress the misstep in Kansas and fight Lecompton—a document ratified only by pro-slavery residents in the Kansas territory—reshaped the political dynamics of a rapidly segregating nation and wholly restructured the Democratic Party when he claimed, “Ignore Lecompton…pass a fair bill.”² While Douglas initially opposed the Democrats,
he later defended this position in the U.S. Senate because he believed the improper ratification in
Kansas represented to the entire nation a genuine infringement of popular sovereignty. Although
opposing Lecompton threatened Douglas’s chances of winning the 1858 Illinois U.S. Senate seat
and in fact did prevent his 1860 presidential win because it angered many Democrats and placed
him in direct opposition to President James Buchanan and other Lecompton supporters, Douglas
assumed the responsibility to retain and gain as many supporters as possible, all in the name of
popular sovereignty as the guiding right of true American democracy.

Pressured by Illinois Democratic powerbrokers, including Chicago Times founder James
W. Sheahan, Illinois Representative to the U.S. House (1843-1851) John A. McClelland, and
numerous other leading Democrats, Douglas challenged the improperly ratified Lecompton
Constitution as a breach of popular sovereignty. Douglas surprised the nation during the first
session of the 35th Congress on December 9, 1857, when he established his position against the
validation of Lecompton. The impetus behind his opposition was advice received from Sheahan
in numerous letters. As founder of the Chicago Times, the flagship Democratic newspaper in
Illinois, Sheahan had the ability to portray Douglas in either a positive or negative light to
readers. As a result, Douglas felt tremendous pressure to comply with Sheahan’s wishes.

Sheahan expressed his chief request in a letter to Douglas, five days before Douglas’s
speech, the first anti-Lecompton speech in the Senate. Sheahan wrote that to “admit Kansas as a
Slave State would be destructive of everything in Illinois,” and added, “we [the Democratic party]
could never recover from it.” Sheahan established his position against Lecompton and persuaded
Douglas to promote it by reminding him the Kansas controversy would have implications in
Illinois elections. Sheahan urged for an enabling act that would allow the people of Kansas a
democratic revote on their state constitution. He closed the letter by reminding Douglas that “the
only fight of 1858 will be in Illinois,” emphasizing the politically-mixed composition of
Douglas’s home state that he relied on not only for reelection, but for a potential presidential run.
Sheahan’s letter established the need for greater Democratic responsibility in the protection of popular rights and instructed Douglas to guard the Democratic Party and his campaign, instructions later executed exactly, as noted in the transcript of Douglas’s December 9th speech. In November, Sheahan revealed Douglas’s plan on Lecompton in a column of the Times and stated, “Douglas…would insist on the faithful execution of the Kansas-Nebraska Act and would not allow the south to cram slavery down the throats of Kansans.” Following this editorial leak, Douglas had no choice but to oppose Lecompton in his Congressional to keep in Sheahan’s good graces and preserve the possibility of a presidential win.

Although Sheahan was one person who influenced Douglas’s actions, other political figures also wrote to Douglas in the weeks leading up to his speech and projected their opinions. Prior to Sheahan, John McClernand sent a letter to Douglas to voice his strong opinions on the future of the Democratic Party and to persuade Douglas to protect the rights of the people in Kansas. He wrote Douglas had “concluded for the sovereignty of the people as a principle,” and “now it remains for [him] to contend for it as a fact.” Like Sheahan, McClernand asked Douglas to propose an enabling act for Kansas that allowed the potential state to democratically revote on their constitution. To convince Douglas to “take the political lead” for Kansas, McClernand suggested the Republican Party would outwardly oppose Lecompton if given the opportunity. Allowing the Republican Party to oppose the bill first would diminish his chance for the Senate seat, which relied heavily on recruitment of Republican supporters. McClernand predicted “the Republican party [would] become extinct in the north” if Douglas protested undemocratic ratification of Kansas’s Lecompton Constitution as a result of political pressures from James W. Sheahan (1824-1883), John A. McClernand (1812-1900), and other leading Democrats, he later defended this position in the U.S. Senate because he believed the improper ratification in Kansas represented to the entire nation a genuine infringement of popular sovereignty. Although opposing Lecompton threatened Douglas’s chances of winning the 1858 Illinois U.S. Senate seat
and in fact did prevent his 1860 presidential win because it angered many Democrats and placed him in direct opposition to President James Buchanan and other Lecompton supporters, Douglas assumed the responsibility to retain and gain as many supporters as possible, all in the name of popular sovereignty as the guiding right of true American democracy.

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November, Sheahan revealed Douglas’s plan on Lecompton in a column of the *Times* and stated, “Douglas…would insist on the faithful execution of the Kansas-Nebraska Act and would not allow the south to cram slavery down the throats of Kansans.” Following this editorial leak, Douglas had no choice but to oppose Lecompton in his Congressional to keep in Sheahan’s good graces and preserve the possibility of a presidential win.

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Letters of similar sentiment continued to reach Douglas, not only from Illinois but also from supporters of popular sovereignty nationwide. James A. Briggs, the former editor of the *Cleveland Daily True Democrat* and Tippecanoe club organizer, asserted that Douglas’s “hour has come,” and he must “prove the Man of the Hour” in order to grow national Democratic
supporters and unite the party.\textsuperscript{14,15} Similarly, New Yorker George Bancroft, America’s most distinguished historian at the time,\textsuperscript{16} charged Douglas with the responsibility of uniting the Democratic Party through defending his Kansas-Nebraska Bill and the doctrine of popular sovereignty. He proposed a new enabling act, similar to the previously created Minnesota Act,\textsuperscript{17} to find “an escape from all trouble.”\textsuperscript{18} Brigg and Bancroft’s letters are only a few examples of the outpouring of encouragement Douglas received, which ultimately created the platform on which Douglas stood when he arrived at Congress.

It is clear Douglas’s speech and position were results of persistent political pressure that reminded him of his responsibility to properly represent Jeffersonian democracy because the language, themes, and ideas that he used mirrored those of his correspondents. On December 9, 1857, Douglas delivered one of his most famous speeches when he declared his opposition to the ratification of Lecompton on grounds of a breach of popular sovereignty. Douglas said President Buchanan had committed a “fundamental error [in supporting Lecompton], an error which lies at the foundation of his argument,” and Lecompton should not be ratified.\textsuperscript{19} Within the speech, Douglas outlined the flaws of Kansas’s ratification system and demanded Congress “pass…an enabling act, and allow the people of all parties to come together and have fair vote,” matching the language of Sheahan and McClernand.\textsuperscript{20} He additionally proposed to take “the Minnesota provision as our example,”\textsuperscript{21} a direct suggestion from Bancroft, which made it clear Douglas’s supporters were able to use him as a mouthpiece for their ideas and manipulate his political stance for his future presidential run.

Douglas defended his position on popular sovereignty and the right for fair representation of the people when he moved his speech beyond Illinois politics and the narrow scope of Kansas itself. Douglas and his correspondents realized that if he brought the Lecompton issue to Congress, it would no longer be a state issue, but a national one instead. Douglas told Congress that if it claimed to “stand by the doctrine that leaves the people perfectly free to form and
regulate their institutions for themselves,” then they “will be united and irresistible in power.”22 However, if the Federal government, particularly the Democratic Party, did not stand by its principles regarding democratic rights and responsibilities, the Lecompton “fraud” would cause “the party [to be] not worth saving.”23 Just as Sheahan and McClernand warned against the potential collapse of the Democratic Party in Illinois, Douglas’s speech forced his fellow senators to examine the possible outcomes for Lecompton in terms of its impact on the country and democracy as a whole. With tremendous pressure to maintain a good image in Illinois, unite the Democratic Party, and protect his Senate reelection and for future presidential candidacy, Douglas assumed responsibility and opposed the ratification of Lecompton with hopes that the universally accepted precept of popular sovereignty would be enough to settle the slavery dispute that threatened to divide a nation.

Almost immediately, Douglas’s opposition against Lecompton suggested the loss of Democratic followers and jeopardized his chances for Senate reelection. Buchanan fired pro-Douglas officeholders, hired pro-Buchanan men, and threatened those who aided in Douglas’s campaign, so that by 1858, Douglas lost twelve key election workers and twelve supporters in the Treasury Department.24 Douglas’s perceived unification of the Democratic Party and hopes for reelection were being shattered at the hands of Buchanan. To retaliate, Douglas planned to gain northern Illinois Republicans and central Whigs to reduce their respective parties—as well as retain Democrats—through answering post office favors, supporting pro-Douglas newspapers, and by ratifying a bill for War of 1812 veteran pensions.25 Days after his Congressional speech, Douglas received letters from Republicans and Whigs indicating their support. While some letters offered individual support on Douglas’s stance, other letters from Chicago stated that, “Illinois in this region is with” him,26 which renewed his faith in the potential triumph of democracy. Of the more than 70 letters written from Illinois constituents around the time of the speech, spanning from November 13, 1857, to February 22, 1858, 40 from northern Republican counties claimed
their support and offered help, and twenty-three from central Whig counties asked for copies of Douglas’s speech to distribute in newspapers. Even after Buchanan’s hostility, Douglas’s quest to preserve the people’s rights seemed to be within reach.

Douglas sought to retain and gain supporters throughout Illinois with post office appointments. Patrons like L.D. Crandall from Sterling informed Douglas the Buchanan-appointed postmaster was not welcomed. The man associated with this unwanted reappointment was George W. Raney, a pro-Buchanan man who became editor of the Democratic Union, a Peoria-based newspaper. With his foothold in Peoria, Raney had the opportunity to become postmaster if he supported the Buchanan administration in his newspaper. Peter Sweat, a pro-Douglas Whig from Peoria also running for postmaster, warned that if Raney “succeeds” in his appointment, the pro-Douglas Democratic Party would break. He contended that Buchanan would use this weakness to prevent Douglas from reaching the Senate. Similarly, Peoria resident J. McDonald wrote to discuss Raney and advised Douglas to help Sweat earn the position because Sweat was a “warm personal friend,” as opposed to Raney, who was not “disposed to do him or any of your friends justice.”

Both Whigs and Republicans expressed their support for Douglas’s course on Kansas and warned him of possible obstacles for his campaign by suggesting that if he would help Sweat and others removed by Buchanan, he would not only lessen Buchanan’s political leverage but would also gain the supporters of crucial Illinois Whig and Republican counties, such as Peoria and Cook, and ultimately strengthen the Democratic Party.

In addition to counteracting Buchanan’s new appointments, Douglas actively worked to create Democratic solidarity by distributing positive press to pro-Douglas newspapers. After Douglas’s speech, many wrote describing their actions to support him. For example, D. Cameron Jr., a Cook County resident, printed Douglas’s speech, distributed several thousand copies, and pledged, “whatever can be done will be done…to strengthen” Douglas’s position in Chicago. F. E. Bryant, a former Whig, wanted Douglas to send documents and try to convert more Whigs to
Douglas supports through newspaper distribution. Additionally, in response to Raney’s takeover of the Democratic Union in Peoria, J. McDonald and Wellington Louck complained central Illinois Whigs lacked unity because they had “no organ[ization] at all.” Louck reassured Douglas that a pro-Douglas “will sustain” and unify the party because of “the support of the substantive democrats.” Numerous Whigs, Republicans, and old Douglas supporters offered support for Douglas, and he responded by sending the requested documents to help the developing pro-Douglas newspapers, which gave him the perfect opportunity to gain mid-state voters in the election. Douglas’s plan to unify political factions formed a powerful vision for the future of a united front in support of popular sovereignty.

In truest Jeffersonian tradition, Douglas ensured he included all demographics and represented the general population when gaining supporters. Numerous veterans wrote Douglas for help to pass a pension bill for veterans of the War of 1812 because the government had not paid them. Edward Kindred, a veteran and central Illinois Democrat, asked Douglas for support because he feared the veterans would die before receiving their pensions. Referring to Democrats like himself, Kindred informed Douglas that the majority of Peorians “do not fully endorse your course,” on Lecompton, but he noted that Douglas’s support of the pension would “be popular through all parts of the country.” Simsford Broaddus, another veteran, stated Douglas’s support would “render a general good to many old and worn out patriots.” Douglas supported the 1812 Veteran Pension Bill, defended veterans’ rights to retain long-time Democratic supporters, and converted support from other veterans for upcoming elections. In order to create solidarity within his party, Douglas understood that people of all demographics comprised popular sovereignty, and he included many constituents, regardless of views on slavery, to grow statewide support and fully represent their rights within the nation.

In order to preserve the nation’s rights and responsibilities as dictated by the Constitution—and to secure reelection to the Senate and a possible presidential campaign—
Douglas, encouraged by his Democratic supporters, opposed the Lecompton Constitution. Although he won the Senate campaign of 1858 against Abraham Lincoln, the national Democratic Party proved too divided to carry Douglas to the presidency. Douglas’s efforts to gain support in Illinois were fruitful because he was able to unite various Democratic factions on the issue of popular sovereignty in the tradition of true Jeffersonianism. However, these Illinois favors and concessions did not translate into a united national Democratic Party. The country would need a man who firmly stood on one side of the slavery question, and as one who hoped the principle of popular sovereignty would quietly resolve the issue, Douglas proved unfit for the higher position because his ambition ultimately fractured his party and the Second Party System. The Lincoln-Douglas Debates presented Lincoln as the stronger presidential candidate who warned Douglas’s position would lead to the nationalization of slavery. Lincoln won the presidency of 1860 without a single vote from the South. While Douglas’s intentions, coerced or otherwise, in rejecting Lecompton were valiant, his actions caused a deeper split in the Democratic Party too wide for Illinois voters alone to bridge.
End Notes


5 Ibid.


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32 F. E. Bryant to Stephen A. Douglas, 1 February 1858. In *Douglas Papers*, [Box 14, Folder 4], no. 3916. Special Collections Research Center, University of Chicago Library. F. E. Bryant was a Whig from the Piatt County. When the Whig Party collapsed, he supported the Democratic Party.
33 Wellington Louck to Stephen A. Douglas, 12 February 1858. In *Douglas Papers*, [Box 14 Folder 21], no. 3487. Special Collections Research Center, University of Chicago Library.
34 Ibid.
35 Edward Kindred to Stephen A. Douglas, 20 February 1858. In *Douglas Papers*, [Box 15, Folder 11], no. 3666. Special Collections Research Center, University of Chicago Library. Kindred was a veteran from the War of 1812 and lived in Peoria County, Illinois. He told Douglas nineteen-twentieths of the county did not support Douglas.
36 Simsford Broaddus to Stephen A. Douglas, 5 February 1858. In *Douglas Papers*, [Box 4, Folder 11], no. 3314. Special Collections Research Center, University of Chicago Library.
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IMAX

Gregory Kerr

Investor Peter Lynch pioneered what is known as “Value Investing,” which is based on the premise of picking undervalued companies for their merit. The mantra of most investors, “Buy low, sell high” does not apply to value investing. Buying low and selling high is effective for large sized or accurately valued companies. Value investing focuses on the idea of understanding the “story”—in other words: interpreting the positive and negative aspects of a company. It is easier to learn the company story if the company is familiar, and especially useful to learn the story if the company is undervalued. As long as the story still holds true, investors should hold the stock, market fluctuations up or down are irrelevant. Volatility means more chances to buy, which is good. Investors should periodically check on the status of company to see if the story is still true, and sell the stock when the story no longer applies. A good understanding of a company is critical when investing with a strategy that focuses on the formula of a company—IMAX, a media company that specializes in large-format movie screens, is a great value investment. Experienced management, cutting edge technology, constant expansion, debt management, and capacity to excel define IMAX as a company.

Good management is crucial for success. At IMAX, the management consists of a variety of people from multiple unique backgrounds, each of whom has many years of experience. Among the chief officers, the average time spent in the company is about fourteen years. The average time spent with the company among board members is about twelve years. Chief officers with years of company experience show three things. First, with the time they have spent, they know the inner workings of their company. Second, they have a long-term vision for their company, and most importantly. Third, they enjoy what they do enough to want to stay and help IMAX excel.

IMAX CEO Rich Gelfond describes IMAX’s defining characteristics with what he likes to call “differentiation.” Differentiation is what sets IMAX apart from other conventional small-
screen theaters. The most noticeable difference is the bigger screen, but during a 2012 Second-Quarter earnings call, Gelfond described his idea of IMAX differentiation:

“Differentiation can mean different things, filming with our cameras, utilizing our unique aspect ratio, exclusive marketing strategies and early release windows. But at its core, IMAX differentiation means that the moviegoer feels like they are part of something special and unique, that they can only get in IMAX theaters.”

Differentiation is the sum of all of the things that IMAX does differently when making and showing movies, and it translates into the massive screens that Blockbusters thrive on.

IMAX loves blockbuster films. Blockbuster directors like James Cameron, Michael Bay and Christopher Nolan know IMAX provides a better experience for blockbuster viewers. IMAX screens can show a Blue Whale in full size, that’s big. A bigger screen is better when it comes to showing epic and dramatic action sequences. Moviegoers agree. The recent opening of 007 Skyfall made nearly $87M domestically on opening weekend: $13M of that revenue came from IMAX screens, about 15%. As of an IMAX mid quarter report on 11/19/12, 007 Skyfall has accounted for $39M of $61M so far in the third quarter. IMAX accounted for $20M in sales, 12% of the $160.8M of opening weekend sales in Christopher Nolan’s Batman The Dark Knight Rises—72 minutes of which was shot with IMAX cameras. IMAX was able to take in a high percentage of total sales, even though IMAX screens accounted for less than 5% of total screens. This is an example of extremely high revenue per screen. Both IMAX and filmmakers benefit because such large revenues come from individual theaters. Filmmakers save on distribution costs, which can be put into making the film itself better, and IMAX theaters stay busy. The Avengers on opening weekend posted $15.3M in domestic opening weekend revenue, accounting for 7.4% of total domestic opening weekend revenue. 17 of the 20 busiest theaters were IMAX screens; theaters even ran out of seats to sell because so many people wanted to see it in IMAX as opposed to conventional small-screen theaters. Most recently, Captain America: The Winter
Soldier generated an impressive $480 million in its first two weekends. The Winter Soldier, praised for raising the bar for Marvel movies, points to Marvel Studios’ dedication to improving upon its already stellar track record. The recent announcement that Marvel Studios has planned out its acclaimed Avengers franchise to the year 2028 is great news for arguably IMAX’s biggest Blockbuster maker. The bottom line is that when a blockbuster hits, IMAX performs exceptionally well.

The dilemma of sold-out theaters is familiar for IMAX. It is difficult to decide whether or not to increase the amount of their theaters, and risk their balance between high demand and low supply, or miss out on extra revenue. IMAX is working towards a solution of creating more of its famous large-screen theaters, but in select quantities, maintaining their supply/demand balance, while expanding in the international market. IMAX is different than other theater companies because it does not actually own the theaters that have IMAX screens. IMAX just provides the technology. Furthermore, IMAX does not have to worry about the physical construction, or any of the other costs that come with owning the theater. The Greater China market experienced growing demand recently, and IMAX will capitalize on it—it is currently poised for an IPO in China in the near future. On the aforesaid Second-Quarter earnings call, IMAX CEO Rich Gelfond discussed the openings of new theaters, “At the end of June there were 97 IMAX theaters opened in Greater China, with a total of 132 in backlog.” By expanding to previously untapped markets, IMAX brings in more revenue, while still avoiding market saturation. During the same earnings call, Gelfond mentioned deals for 40 new IMAX theater systems in the past quarter. With 40 new theaters allow IMAX will be able to take in more revenue, but avoid a situation of having a theater on every corner and losing their careful supply/demand balance. A big plus for IMAX is the incredibly low cost to make film prints, the reel that contains the film for one individual theater. In the analog days, a single print cost $30K, with new IMAX digital technology it costs just over $150. IMAX has also started paying for the installations of systems in theaters for a share of that theater’s revenue. This is good for IMAX because IMAX
multiplexes generate three to four times the revenue of most theaters.\textsuperscript{17} IMAX has an expansion strategy that will keep growing revenue and tap into more markets to retain the massive amounts of revenue-per-screen IMAX consistently delivers.

The amount of money that the film industry has been making, even in troubling times such as these, is impressive. During the summer of 2012, \textit{The Avengers} became the third highest box-office grossing movie in history, behind James Cameron’s \textit{Avatar} and \textit{Titanic}. IMAX’s ability to break box-office records in economic downturn shows that IMAX is strong even when the market is not. The production of blockbusters is in full swing. One such company producing these blockbusters is Warner Brothers, set to release \textit{The Hobbit} trilogy over the course of the coming years, as well as \textit{Superman Man of Steel} this year. Both are expected to do very well in the box office. Warner Brothers and IMAX announced on 11/15/12 that a longstanding film deal with Warner Brothers that started in 2003 was renewed.\textsuperscript{18} This allows IMAX to showcase 20 new Digitally Re-Mastered (DMR) Warner Brothers films in the immersive IMAX experience. DMR technology converts film into a digital format “at a cost of roughly $1.0 million per film.”\textsuperscript{19} The cost to convert these films is minimal, and after conversion, the cost per individual print is on the order of $150, as opposed to tens of thousands of dollars. Given the hype surrounding \textit{Hobbit} trilogy, three of the films in this deal, should prove extremely lucrative for both Warner Brothers and IMAX. In addition to this deal with Warner Brothers, IMAX is Digitally Re-Mastering many other classic and new films, “In 2011, 25 films were converted through the IMAX DMR process and released to IMAX theaters by film studios as compared to fifteen films in 2010” according to the annual report.\textsuperscript{20} The amount of films that will undergo DMR is expected to grow with this new deal— as will revenue from DMR.

IMAX is always on the forefront of innovation. Having acquired a laser projection patent from Kodak in October of 2011, IMAX is planning to launch this new projection system in theaters in the second half of 2013.\textsuperscript{21} The laser projection system is different from current IMAX projectors in one key way: instead of using bulbs, these new projectors use lasers. Lasers don’t
dim at the edges of the frame as bulbs do. Not only are colors clearer and brighter, laser projection allows IMAX to create screens twice as wide as the already massive IMAX screens. These new screens will be “larger than any screens that exist in the world” according to Greg Foster, president of filmed entertainment for IMAX. The leap from bulb to laser is massive, and it is just one of the many examples of IMAX innovation.

IMAX is also very proud of its 3D technology, which involves a combination of dual-camera shooting and post-production editing. The company’s annual report speaks for itself:

“For the films released to both IMAX 3D theaters and conventional 3D theaters, the IMAX theaters have significantly outperformed the conventional theaters on a per-screen revenue basis. Over the last several years, a number of commercial exhibitors have introduced their own large screen branded theaters. In addition, the Company has historically competed with manufacturers of large-format film projectors. The company believes that all of these alternative film formats deliver images and experiences that are inferior to The IMAX Experience.”

IMAX has the edge in technology, and moviegoers agree. As a result of IMAX’ unmatched visual quality, sound quality, and screen size, the massive technology gap between IMAX and conventional theaters benefits IMAX, in both 2D and 3D, and puts IMAX in an interesting competitive situation. No other company offers movies on the same scale or at the same quality as IMAX. Although IMAX does not have the monopoly on movies in general, IMAX effectively has the monopoly in the market for the truly premium movie experience—conventional theaters have nothing with a similar level of quality to the IMAX experience.

Looking towards the future, companies such as Netflix are trying to take customers away from theaters with their vast in-home computer/television-based digital movie libraries. On the surface, this may seem like a problem for IMAX, but in the long run it’s quite beneficial. The likely outcome is that competition from Netflix would eliminate small-screen film companies,
making IMAX much better off. The experience that Netflix provides is fundamentally different from the IMAX experience. For one, to make the comparison between the screen size of a typical IMAX theater and the typical screen size of a computer or television, the mediums of viewing Netflix movies, is not even fair. Second, the differences between the sound qualities are similarly substantial, and similarly in IMAX’s favor. Third, every movie will play in IMAX for weeks if not months before it comes to Netflix or any other digital provider. IMAX is the best of the best in the realm of movie experiences, and it has nothing to fear from Netflix. If anything, Netflix will hinder IMAX’s competition (AMC, Regal, etc.) and leave IMAX with the monopoly on the theater experience. This is all purely speculative, but the fact remains that IMAX is unique, and will be an elite player in the movie industry for a very long time.

There have been gains in 2011 compared to 2010, but not as much as what has been coming in for 2012. 2011 was considered to be a weak year for blockbusters, but the fact that IMAX was still able to increase its total assets by 64%, while only increasing their total costs by 12%, and cutting their debt by 10% between 2009 and 2011 shows that IMAX is not at the mercy of the film industry (See Appendix C). 24 Certain investors place a low value on the stock because it is a big concern among investors that IMAX will only do well if the overall film industry does well in a given year. IMAX has been consistently profitable over the past 5 years despite an inconsistent economy and uneven film popularity and quality. Even so, the lucrative growing trend of consistently quality, big-budget blockbusters will help the company in the long run (See Appendix C).

Another qualm some have with the company is debt, although IMAX cut debt between 2009 and 2011, their numbers through quite a bit of fluctuation. Going from $55K to $17K and back up to $50K (See Appendix C) is a sign of instability. IMAX did, however, manage to get itself from -$84K to $196K in Total Equity. 25 Negative Total Equity means that liabilities are greater than assets, which is a sign of debt. The fact that IMAX overcame that negative equity (debt) situation, and as of recently operates with an Equity/Asset ratio of about 47% is proof that
IMAX is able to pull itself out of difficult financial situations. The high amount of Shareholder Equity is a good indicator for the company, since lots of people see IMAX as a good place where they can trust that their money will be put to good use. IMAX was able to get out of debt because people believed in IMAX and invested in it. The movie industry had a difficult year in 2011, but IMAX was still able to perform solidly and avoid excessive debt. In the future, IMAX is unlikely to incur large amounts of debt due to their insubstantial cost to Digitally Re-Master, their low cost to provide for new theaters, and their minimal marginal costs to produce films.

IMAX delivers a truly unique product that competitors cannot and will not be able to match. The executives have experience with the company. IMAX’s technology is always improving beyond that of any competitor. They perform outstandingly when a big blockbuster hits theaters, but still manage to perform well even in seasons without major blockbusters. They are always expanding into new markets. The company is on top of their debt. They are growing as a company. Between December 2012 and December 2013, IMAX has grown from $22 a share to $30 a share—a 36% increase, outpacing the Dow Jones by 12% over the same interval (See Appendix B). IMAX has been, is, and will continue to be a solid company and a sound investment.
End Notes

2 Ibid.
5 Ibid.
7 Ibid.
13 The term “Greater China” refers to the mainland of China, not including any islands or Tibet.
15 Ibid., 3
16 Ibid.
18 Ibid., 4.
20 Ibid.
21 Ibid., 3.
23 Ibid., 19.
24 Ibid., 17.
26 Ibid.
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"IMAX CORP. MID-QUARTER BOX OFFICE UPDATE." IMAX. http://www.imax.com/corporate/investors/


"IMAX POSTS IMPRESSIVE DOMESTIC SKYFALL™ NUMBERS WITH ESTIMATED $12.75 MILLION OPENING WEEKEND." IMAX. http://www.imax.com/corporate/investors/
APPENDIX A: Stock Synopsis

APPENDIX B: 5-Year Stock Performance
APPENDIX C: Balance Sheets

3-Year Balance Sheet

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