

BEFORE THE MONEY TRUST INVESTIGATING COMMITTEE

(Continued from Page 7.)

"Is it not true that in this country, unlike other countries, it is difficult to get the stockholders to take an active interest in their companies?"

"That is very true. That is the reason why a voting trust is so desirable," said Mr. Morgan.

"That is the reason of this paternalism on the part of the financial gentlemen who reorganize the company?" asked the lawyer.

"That is the reason why, in reorganizing a company, we employ that method—so that it can be protected," said Mr. Morgan.

The activities of J. P. Morgan & Co. as fiscal agents for railroads and other interested corporations formed the basis for another phase of the examination. Mr. Morgan placed in

the record the agreements by which the firm handles the securities of the New York Central and the New York, New Haven & Hartford railroads. The general policy of private banks handling big issues of securities also was taken up.

"These issues of securities of interstate railway companies are in vast sums, are they not, running into the hundreds of millions of dollars a year—many hundreds of millions of dollars?" asked Mr. Untermeyer.

"Yes, sir," answered Mr. Morgan.

"For the different companies you issue many, many hundred millions of dollars a year, do you not?"

"Yes, sir."

"Do you not think it would be entirely feasible that securities of such corporations should be openly marketed and should be sold by competition, just as securities of the United States government and state governments and city administra-

tions and municipal bonds of different kinds are sold?"

"I do not," said Mr. Morgan.

"Do you not think there should be some competition for them between the banking houses or between the original purchasers and the company?"

"No, I should think not."

"Do you not think the company should be in a position to have other banking houses compete for these securities and perhaps get a higher price than you might think they were worth?" Mr. Untermeyer asked.

"I have no doubt that could be done occasionally, but it would not be often," said Mr. Morgan.

"Do you not think it ought to be done—that they ought to be open to that field?"

"I do not; not for the interests of the company. There is another point about it," volunteered Mr. Morgan, "and that is this: You must remember that securities are issued and sold and do not always prove good. I do not say that that often happens, but it sometimes does."

"The banking house assumes no legal responsibility for the value of the bonds, does it?" asked Mr. Untermeyer.

"No, sir, but it assumes something else that is more important, and that is the moral responsibility, which has to be defended as long as you live."

"Will you name any instance of a railroad bond issue by your firm that proved bad, where the property was reorganized and your company personally put up money to make the bond good, that it did not get back?"

"I can not recall any now, but there are cases of that kind."

Throughout the long period of the examination Mr. Morgan's daughter, Mrs. H. B. Saterlee, and his son, J. P. Morgan, jr., sat immediately behind the witness chair watching their father closely. At one time he turned to his daughter and asked for a throat remedy, as continuous talking was wearing on his throat. His daughter supplied him from her handbag.

Mr. Untermeyer said that if the financier was tired he would suspend to allow him to rest, but Mr. Morgan was anxious to continue.

Within an hour after the hearing adjourned the Morgan party with its retinue of lawyers, was on a special train bound for New York.

methods of collecting news at the White House. During the conversation reference was made to the assassin of President McKinley, and Colonel Roosevelt explained: "I'll bet he wouldn't have shot me twice!" The correspondents inferred from this and other remarks made by the colonel that he would have returned the assailant's fire with the quickness of a gun-fighter of the plains. Washington newspaper men and many of Colonel Roosevelt's close personal friends are sure that during his seven and a half years as president he was never in the streets without a revolver in his pocket. All this is told by a Washington correspondent of the New York Times, who goes on to relate a number of incidents which show that the nominee of the progressive party never depended wholly upon a hired bodyguard for protection against assassins:

On the blustery winter day that Elihu Root quit the cabinet of President Roosevelt to return to the practice of law in New York, Colonel Roosevelt walked over from the White House to the Root residence to say good-bye to his secretary of state, upon whom he had depended constantly for advice and assistance and in whose ability and commonsense he had such faith. Mr. Root's house was in Jackson Place, the street forming the western boundary of Lafayette square, the park opposite the White House. The residence which Mr. Root occupied was associated with Washington's most noted tragedy, with the exception of the assassination of Abraham Lincoln, for it was here that General Daniel Sickles was living with his wife when Sickles killed Philip Barton Key. General Sickles was said to have seen Mrs. Sickles signal to Key from a window of their home, Key being then in the Washington clubhouse across Lafayette square, a building that also has its tragic associations. It was there that William H. Seward was confined in a sick-bed when Payne, the associate of John Wilkes Booth, tried to stab him to death on the night that Lincoln was shot down by Booth, and it was in this house that James G. Blaine died twenty-eight years later.

In spite of the cold wind Colonel Roosevelt wore no overcoat. As he sprinted across from the White House to the Root residence, a hundred yards away, the tails of his frock coat fluttered in the breeze, exposing to the view of the cavalrymen assembled to escort Mr. Root to the railway station the butt of a good-sized revolver. But if the then president knew that the weapon was showing he gave no sign that he was bothered about it. In those days Colonel Roosevelt was getting portly, and the strain on the waist line of his frock coats had a tendency to make the tails spread apart.

"Still another incident of the same sort marked a visit of Colonel Roosevelt, when president, to the Epiphany Episcopal church, in G street, between Thirteenth and Fourteenth streets, in this city. He went there to deliver an address before the congress of mothers which was being held in the church. Divesting himself of his overcoat in the ante-room, the president went forward to the chancel. While he was addressing the audience one of the young women serving as ushers put on the president's overcoat and placed her hands into the deep pockets. A scream from her startled her companions. The desire of the young woman at that moment was to get out of the overcoat. When she had done this and her nerves had been quieted she explained that in one of the pockets of the president's overcoat was a revolver. An inspection of the pocket proved her assertion. The revolver was loaded.—Literary Digest.

CONGRESS WILL ACT ON BIG RAILROAD EXPOSURE

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precipitate the value of the stock in the slumpy market in Wall street and there are those shrewd enough to understand the general workings of this band of financiers in certain properties who will shrug their shoulders and say that the gentlemen named have enormous holdings concealed in the names of dummies.

The writer is prepared to state unequivocally now, after an exhaustive search through the long list of several thousand stockholders, that not one of the men in whose names these blocks of stock are usually placed—secretaries, clerks and similar subordinates in banking houses of Wall street—is a stockholder of the New Haven.

Furthermore, there is not any man in whose name there stands a substantial block of stock whose identity is not fully set forth. And lastly, there is not a single man, save Lewis Cass Ledyard, in whose name stands what could be termed a large block of stock, \$1,000,000 or more. Ledyard is the only dummy on the list.

COL. ROOSEVELT'S REVOLVER

Shortly after his inauguration as president, Colonel Roosevelt sent for a number of Washington newspaper correspondents to discuss with them the rules governing the hours and

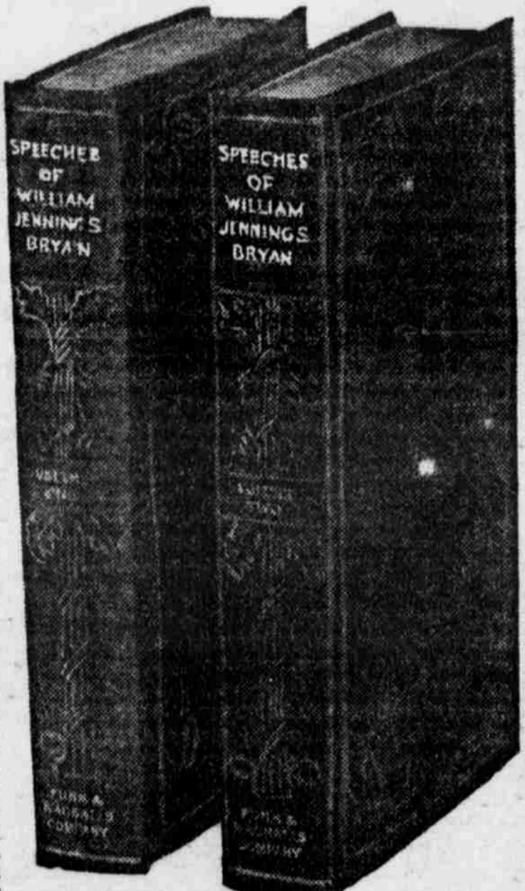
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