

# The Story of the Interlocked Directorate

A speech delivered in Oklahoma territory during the late campaign by Hon. Patrick S. Nagle, of Kingfisher, Okla., has attracted considerable attention throughout the country. Mr. Nagle took for his subject "The Interlocked Directorate." Extracts from his speech follow:

"There are three great spirits creating the world that is and is to be. The spirit of scientific investigation that will accept nothing but the truth; the spirit of democratic revolution that will trust no one but the people; and the spirit of social evolution that will call no man common or unclean."

"The forces in control today are not in accord with this sentiment. The forces that will ultimately control the destinies of the human race will be in accord with this sentiment. Political systems and economic theories not in consonance with this sentiment must pass away. This conflict between the old and the new is no longer impending, the fight is on."

"In my remarks tonight I wish to lay down one proposition that I assert to be true. I say that the proposition I lay down tonight is true today; it was true yesterday; it will be true tomorrow. It was true at the dawn of history and it will be true to the end of time. The proposition I lay down tonight is a law—an inexorable law that has controlled the destinies of the race from the beginning, and it will control the destinies of the race until the end. It is a law as relentless as fate. It is a law which cannot be changed or modified by the parliaments of men or the mandates of kings. Man is powerless to change or modify this law as he is powerless to change or modify the laws that govern the tides of the restless sea."

"This is the proposition: Those who own the wealth of a nation control its government. The law, however, is narrower than this. Those who own the 'predominating form of wealth' control the government. I will try and illustrate what I mean by the 'predominating form of wealth.' A, B and C are candidates for sheriff of Kingfisher county before the democratic primaries; each has a complement of candidates for the different county offices on his ticket with him. The primaries are held. A and his ticket receive 700 votes, B 600 votes and C 300 votes. Notwithstanding the fact that A did not even receive a majority of the votes, he is the predominating influence in democratic politics in the county. B, for self-protection, is compelled to fall in behind A, and C for the same reason falls in behind B. If the opposing party on election day polls but 1,500 votes and A polls 1,300, he is not only the predominating influence in democratic politics, but he is the predominating influence in the politics of the county. As it is in politics so it is in wealth. The 'predominating form of wealth' is the dominant factor. If you wish to ascertain what influence controls the government of a country you must ascertain the 'predominating form of wealth' of that country. When you have ascertained the 'predominating form of wealth' and ascertained who controls that wealth you have discovered who controls the government of the country."

"In the ancient oriental empires the predominating form of wealth was the chattel slave. Those who owned the chattel slaves controlled the government of those ancient empires. In the ancient republics the predominating form of wealth was the chattel slave—those who owned the chattel slave controlled the government of those ancient republics. In feudal times the predominating form of wealth was the land and the serfs on the land—those who owned the land and the serfs on the land controlled the government during the feudal ages. In the United States before the civil war the predominating form of wealth was the chattel slave—those who owned the chattel slave controlled the government and controlled it absolutely. Three hundred years ago, Sir Walter Raleigh, speaking to the English people, said: 'The nation that controls the high seas controls the highways of commerce of the world. The nation that controls the highways of the commerce of the world controls the commerce of the world; the nation that controls the commerce of the world controls the wealth of the world; the nation that controls the wealth of the world controls the world.' The countrymen of Raleigh followed his advice, and the world knows the result."

"The highways of commerce, the arteries of commerce in the United States, are the railway systems. Those who control the railway systems in the United States control the highways of commerce in the United States. Those who control the highways of commerce in the United States

control the commerce of the United States. Those who control the commerce of the United States control the wealth of the United States. Those who control the wealth of the United States control the government of the United States. How do the railway systems control the wealth and the government of the United States? The wealth and government of the United States is controlled by what is known as 'the interlocked directorate.' When a railroad passes through a coal field the president, officers and directors of the railroad company become the officers and directors of the coal company. The directorates are interlocked. The independent coal company is discriminated against by the interlocked directorate. The result is that the independent company passes out of business. When a railroad passes through an oil field, companies are formed and the directorates are interlocked. The independent oil companies cannot compete. At Cleveland, in this territory, there are five or six hundred oil producing wells. They are all idle. They cannot ship their oil because the Prairie Oil company, which is a subsidiary corporation to the Standard, is interlocked with the railway. The independent producer is offered 37 cents per barrel for his oil. We pay at Kingfisher 25 cents per gallon for oil and 30 cents a gallon for gasoline. The independent producer cannot build refineries because he would be crushed in a few months by the powerful interlocked directorate. He cannot ship his oil for fuel because he cannot get rates."

"What is true of coal and oil is true of grain. The result of an investigation conducted by the industrial commission discloses that the great grain producing sections of the country have been divided into districts and allotted by the railroads to certain favored elevator companies. The Rock Island Railroad company is interlocked with Chas. Councilman & Co., and this favored elevator company controls the grain buying throughout the Rock Island states of America. I believe this is what they call the country through which this line of road and its branches extends. The Northwestern Railroad is interlocked with Bartlett-Frazier company and the Peavey Elevator company. The Chicago, Burlington & Quincy, and the Chicago, Milwaukee & St. Paul are interlocked with the Armour Elevator company; the Santa Fe is interlocked with the Richardson company, and the Union Pacific is interlocked with the Peavey Elevator company."

"In the days of the open market the farmer drove to town with his load of grain, and the buyers gathered around his wagon, tested the grain and bid for it one against the other. The bidding was genuine and the grain was sold to the highest bidder in a real competitive market. Today the farmer must hunt the different buyers in their office and ask the price. Each quotes him the same price. They have little concern as to which one buys the grain, as the profits are pooled. If any buyer purchases more than his share he is subject to a penalty. If any buyer refuses to comply with the rules of the pool the railroad companies order him to remove his elevator off the right of way."

"What is true of coal and oil and grain is true of lumber and every other commodity. The price of anything you may have to sell is fixed by the interlocked directorate. The price of anything you are compelled to buy is fixed by the interlocked directorate. Your economic status today is fixed by the interlocked directorate, and this regardless of your political affiliations. The wealth represented by this interlocked directorate is 'the predominating form of wealth' today in the United States of America, and under the law I have cited—the inexorable law—this 'predominating form of wealth' controls the government, and from this interlocked directorate proceeds the trust. The trust is a naked sword, forged by the interlocked directorate; its hilt is in the senate chamber at Washington; its point everywhere buried in the breast of every citizen in the land. It demands and obtains tribute upon every article required by our necessities or misfortunes, from the cradle of the infant to the coffin of the dead."

"Governmental power follows wealth. Wherever you find wealth you find governmental power. Wherever you find poverty there is no governmental power. One per cent of the families of the United States own more than one-half of the wealth of the United States. Fifty per cent of the families of the United States do not own their homes. What shall we do for relief? We cannot change the inexorable law cited. The only thing we can do is to invoke that inexorable law in our behalf. If it will protect others it will pro-

tect us. If the people desire to have this government administered in behalf of the people, then they must own that 'predominating form of wealth'—they must at least own the railway systems. The railway systems cannot be taken over at once. It is necessary that it be done gradually. Every time an electric light plant, a water works, a telephone system, a street car line, or any other public utility is taken over it strengthens the people and weakens their enemies—the predominating form of wealth, the trusts—the interlocked directorate. Every time a franchise is granted by the people to build a street car line, water works, electric light plant or any other public utility, they strengthen their enemy and weaken themselves. An income tax, an inheritance tax, would weaken the interlocked directorate and strengthen the people."

"You ask me is this a democratic speech—you ask me is this a democratic doctrine—you ask me am I a democrat. I will say that I am a democrat. When I come to die, if I could truthfully say that I had served God as well as I have the democratic party, my eternal salvation will be assured. Truth, however, impels me to say that the principles I now advocate have never been incorporated into a democratic platform. These principles were first enunciated twenty years ago by men who saw clearly and who saw the truth. I was not one of those men. I opposed the party that advocated these principles to the extent of my strength and ability. I believed then that the principles I now advocate were wrong. I believe now that the principles are right. Had I been one of those men who first advocated this doctrine, I would consider it an honor almost as great as to have fought at Eutaw Springs or Yorktown. The party that first advanced the doctrine of public ownership no longer exists—the populist party has passed away—Bunker Hill has passed away; but the spirit of the populist party and the spirit of Bunker Hill will never pass away. The history of the populist party is the most pathetic page in American political history—they wrought in a sad sincerity—they builded better than they knew. The democratic party must occupy the position held by the people's party twenty years ago. The democratic party must not only occupy this position, but we must organize by elimination. If the democratic party is commanded by a trust captain and the democratic ship is manned by a plutocratic crew, it will go down to defeat and to death and dishonor. The predominating form of wealth does not require two parties to represent it in the political arena. We must organize by elimination. Those amongst us who represent that predominating form of wealth that oppresses us must be driven out of the democratic party, and until they are eliminated, those in other parties whose interests are opposed to the interests of the predominating form of wealth will not come to us. The fight that is now on is not a fight between political parties. It is a fight for the control of this government. It is a fight between the predominating form of wealth and the disinherited. It is a fight between the exploiter and the exploited. It is a fight between the robber and the robbed. It is a fight between those who own the predominating form of wealth and those who own a different form of wealth allied with those who own no wealth. It is a class fight."

"Who is to blame for existing conditions? Do you expect me to say the republican party? The trust does not proceed from the republican party. The trust is not born of the republican party. The trust is not the child of the republican party. The trust does not exist because of the republican party. The reverse is true. The republican party proceeds from the trust—from this predominating form of wealth. The republican party is the child of the trust. The republican party was born of this predominating form of wealth. The republican party is this side of the trust—not at the other side of the trust. The republican party is simply the representative of the trust in the political field. The minute the republican party refuses to do the bidding of this predominating form of wealth, its life will be taken from it, and the trust would call to its service another party that will obey orders."

"The trust cannot be controlled or regulated by law. Why? Because under the inexorable law cited, the predominating form of wealth controls the government—controls it in all its branches—the executive, the judicial, the legislative. Those who exercise the functions of government under existing circumstances are the agents of that predominating form of wealth, and an honest and reputable agent will not act contrary to the