

THE TREMENDOUS POWER OF THE CONTRIBUTORS TO REPUBLICAN CAMPAIGN FUNDS

(Des Moines Register and Leader, Rep.)

Secretary Shaw and Congressman Vreeland, chairman of the house committee on banking and currency, indulged in a joint debate over the central bank before the New York City Republican club at their luncheon Saturday.

It is not so important what they said concerning a central bank, although they presented vigorous arguments pro and con, as it is that Secretary Shaw again took occasion to point out the tremendous power of Senator Aldrich, and to remark on its "affiliations." Secretary Shaw will not be believed in Iowa to be an alarmist over the threat of trusts, nor will it be easily credited that he has suddenly taken up the gage against Wall Street. What he says is not from the standpoint of insurgency.

After making several references to the great, wise and astute man who bestrides the senate, Secretary Shaw said:

"We now have a commission headed by this great man, and we are told that he wants a central bank. His report is not yet out, but we have no doubt as to what it will be, nor need any one, if he will consider who is the chairman of the senate committee on finance and what are its affiliations."

Now what did Secretary Shaw mean when he said no one need be in doubt if he would consider that the man in charge is Senator Aldrich, and then look at his "affiliations?" The answer is easily got at for he gives it himself. The steel trust and oil trust want a central bank, and Senator Aldrich is their spokesman. Here are a few scattered sentences:

"Do you know any important city in the United States where the Standard Oil company does not own one or more banks, or where the interests that control the United States steel corporation do not own likewise?"

"I believe that they could afford to pay the debt of the United States as the price of the charter."

"What did they pay the other day for the Equitable Life? What was the worth of the \$600,000,000 or so of assets which they got through the control of \$100,000 stock with a dividend limited to 7 per cent? Was it \$9,000,000—I forget the exact amount."

"Now I am going to assume for the time being that it is a slander—although some people believe it—that the United States steel interests swiped the Tennessee Coal and Iron company. I will assume that they did not, but if they had a central bank they certainly could."

"Morse said the other day and rightly that the affiliated banks of New York could declare that any security whatever was not good as collateral. That was no more than the truth."

And finally: "These interests can fix the price of every product we have. If you are in New Orleans and want to borrow they can say whether cotton shall be seven cents or whether it shall go to ten or fifteen cents, according as they are on the bear or bull side of the market."

It is not so important whether this connection between the Standard Oil and steel trusts and the proposed central bank can be established as definitely as Secretary Shaw assumes; there are many able men who will dispute with him as to that. But it is important that the secretary expresses his own belief as to the connection between "the leader of the senate" and the great trusts, and it is important that it is Secretary Shaw who tells us what these trusts are in position to do and have already done.

MORGANIZED PLUTOCRACY

The life insurance scandals, with the resulting investigation and legislation, checked the development of one-man power in the control and exploitation of the great New York companies. If it was dangerous to permit reckless financiers to use the resources of these corporations in their own daring adventures, as it certainly was, there can be no doubt that one man's dominant influence in the wider field of banking, transportation and industry as well as in insurance is even more to be feared.

Stock gambling was at the bottom of the fight between Ryan and Harriman for the control of the Equitable. They wanted to use its accumulated millions in their private enterprises. They coveted its rich and persistent revenues. A splendid fund devoted to safeguarding the welfare of hundreds of thousands of homes was in their eyes of use primarily in promoting selfish ends and in extending personal power.

The one man idea was responsible also for the loot of the Metropolitan Traction system, for the gigantic combine of all the local transportation

facilities in Manhattan, for the millions of watered securities that have been dumped upon the public, for the accompanying inefficiency of service and for the bankruptcies and receiverships which seem to have no end. As in the case of the contest over the Equitable, the Ryan coterie acted here in complete defiance of public rights and with a greed which has had few parallels. Such safeguards as were supposed to have been thrown about the interests of the people proved to be almost valueless. What was not accomplished by mere might was made easy by the acts of dummy directors and other confederates.

In the face of these impressive examples of the ruthlessness of one-man power there has grown of late even a greater personal dominion of the financial world. By purchase, by combination and by community of interest there is now a J. P. Morgan power which, embracing banking and trust, insurance, industrial and transportation companies, controls or influences capital amounting to more than six thousand millions of dollars. It is not necessary to say that this power is abused to maintain the assertion that its exercise is altogether too great a responsibility for any individual, no matter how good or how able. Conservatively estimated, with no account of corporations in which this one man is only moderately or sympathetically interested and with no reference to the four Morgan banking houses of New York, London, Paris and Philadelphia, the principal Morganized or partly Morganized institutions to date are as follows:

Life Insurance Companies		
	Assets.	
Equitable Life Assurance Society	\$462,000,000	
New York Life Insurance Co.	557,000,000	
	\$1,019,000,000	
Banks and Trust Companies		
	Resources.	
First National Bank	\$139,600,000	
National Bank of Commerce	226,500,000	
Mercantile Trust Company	68,475,000	
Equitable Trust Company	63,800,000	
Guaranty Trust Company	88,960,000	
Astor Trust Company	15,200,000	
Bankers' Trust Company	53,900,000	
Chase National Bank	107,280,000	
Mechanics' National Bank	51,360,000	
National Copper Bank	40,300,000	
Liberty National Bank	24,700,000	
Fifth Avenue Trust Company	19,100,000	
Standard Trust Company	18,450,000	
	\$917,625,000	
Industrials		
	Stocks.	Bonds.
U. S. Steel Corp'n.	\$868,809,000	\$593,231,000
Haggin-Morgan Peruvian Cop'r Mines	25,000,000	
United Dry Goods	51,000,000	
Inter. Harvester Co.	120,000,000	
	\$1,064,809,000	\$593,231,000
		1,064,809,000
		\$1,658,040,000
Railroad and Transportation Companies		
	Stocks.	Bonds.
Southern Railway	\$179,900,000	\$228,701,000
Inter. Mer. Marine	120,000,000	72,684,000
Northern Pacific	247,905,000	282,499,000
Great Northern	275,129,000	97,955,000
Reading Co.	140,000,000	106,654,000
Gen. R. R. of N. J.	27,436,000	52,851,000
Lehigh Valley R. R.	40,441,000	81,639,000
N. Y., N. H. & H.	100,000,000	56,849,000
Boston & Maine	31,394,000	30,373,000
Hocking Valley Ry.	26,000,000	19,912,000
Chl. G. W. R. R.	57,015,000	28,000,000
N. Y., O. & W. R.	58,113,000	27,173,000
Hudson & Man.	50,000,000	57,920,000
	\$1,353,333,000	\$1,143,210,000
		1,353,333,000
		\$2,496,543,000
Miscellaneous Companies		
Angelo-American Nitrate Syndicate in Chili	\$12,500,000	
North American Company	29,779,000	
		\$42,279,000
Recapitulation		
Railroads, etc.	\$2,496,543,000	
Industrials	1,658,040,000	
Banks, etc.	917,625,000	
Life Insurance Companies	1,019,000,000	
Miscellaneous Companies	42,279,000	
		\$6,133,487,000
Grand Total		\$6,133,487,000
Not all of these companies are under the		

jurisdiction of the state of New York, but the stock exchange where, in the guise of the money trust, they operate always daringly and sometimes disastrously, is clearly within the control of that commonwealth and may be brought within its regulating influence whenever the representatives of the people shall so elect.

A money trust is likely not only to make common cause with all other trusts but it may be tempted to subjugate business and industry in many branches. Dictating interest rates, it can make money cheap or dear. Controlling huge resources, it can, if it will, interfere with the natural course of markets and of distribution, manipulate bank reserves, establish confidence or destroy it, encourage new enterprises or blast them, and by vicious assaults upon credit create panic among the people and menace the government itself. Good times or hard times, prosperity or ruin, inflation or contraction, for many people, all lie in the hollow of its plutocratic hand. Where shall this Morganizing end?

While the money trust is in part to blame for unchecked stock-manufacturing and stock-gambling, it is probable that the money trust exists chiefly on account of the possibilities that lie in the highly productive orgies of Wall Street. That is the state upon which the latest expression of one-man power finds its most alluring activities. If the special privileges which the law has thrown about the stock exchange were repealed; if gambling there and usury there were treated as they are elsewhere; if wash sales and other dishonest tricks by brokers were punished, and if banks subject to state control were held to a stricter account for their misuse of depositors' money, even the money trust, bowing to the will of one far-seeing and far-reaching man, would be shorn of much of its capacity for mischief.

To these ends Governor Hughes can contribute powerfully by urging upon the legislature the adoption of the alternative recommendation of the Wall Street commission that the stock exchange be incorporated and subjected to state authority and supervision. With state power asserted, one-man power must decline. With state supervision in force, the more manifest evils of stock gambling, stock watering and the defenses which have been thrown about them must disappear.

The Morganized plutocracy presumes upon the indifference and the inefficiency of the state. It undertakes to dictate in finance, in industry and in government. To meet and defeat this assumption there must be an impressive assertion of popular authority, so energetic as to command respect and so just and wise as to disarm reasonable criticism.

"ILLINOIS" TO DATE

From thy legislature, bolling,
Illinois, Illinois;
From thy statesmen lately toiling,
Illinois, Illinois,
Comes an odor on the breeze
Making old campaigners sneeze,
With suggestions such as these:
"Buy and buy, buy and buy!"
With suggestions such as these:
"Buy and buy!"
When you heard your country "knocking,"
Illinois, Illinois,
With insinuations shocking,
Illinois, Illinois:
When the press, and pulpit, too,
Sounded warnings loud and true,
Who'd have thought so soon you'd rue
"Buy and buy, buy and buy!"
Who'd have thought so soon you'd rue
"Buy and buy!"
Not without the caucus gory,
Illinois, Illinois,
Could be writ the nasty story,
Illinois, Illinois.
Looking back o'er recent years,
The corrupting "boss" appears,
Who afar the "interests" hears,
"Buy and buy, buy and buy!"
Who afar the "interests" hears,
"Buy and buy."
—G. A. Powles, in Chicago Record-Herald.

One of the defenders of the administration says that it will take at least another year to decide whether the tariff law is good or bad. Well, hardly; the beneficiaries of protection decided that the law was good when they prepared the schedules and the consumers decided the law was bad as soon as they read it. The republican candidates seem to be the only persons in doubt.