The Commoner.

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BANKING MERGER

The United States Banking corporation, with a capital of six millions and headquarters in New York, is inviting subscription to its stock and in doing so gives an outline of its plan of operations. According to the prospectus it is the present intention of the corporation to "organize a trust company in forty cities." It will be possible, it adds, "to extend the operation of the United States Banking corporation to more than one hundred cities and towns of importance whenever it is deemed desirable." The corporation will "acquire existing trust companies by purchasing a controlling interest" unless it finds it more profitable to organize a new company.

A reader of The Commoner sends the prospectus in, and asks if it is the first fruit of the scheme embodied in the Fowler bill. No; the Fowler bill has not yet become a law, and when it does become a law its adoption will be signaled by the formation of a national bank trust, built upon the plan followed by the United States Bank, which, after a tremendous struggle, was overthrown in the days of Jackson.

The Bankers' corporation above referred to is more like the "merger" companies which are organized for the purpose of controlling other corporations. The plan is a very simple one. A group of financiers, in order to control a corporation having a capital of one million, must own more than half of the stock, or a little more than $500,000 worth. To control ten corporations having a capital of a million each would, therefore, require a little more than five million dollars (if the stock was at par). A merger company, however, can be organized with a capital of a little more than five millions, and this merger company can then control a majority of the stock in each of the ten corporations, but the group of financiers desiring to manipulate these corporations would only have to control a little more than half of the capital stock of the merger company—that is, a little more than two millions and a half. It will thus be seen that a corporation organized to purchase stock in other corporations is merely an indirect method of doubling the influence of a given amount of capital. If ten merger companies were organized to control ten corporations each, and then a new merger company was organized to control a majority of the stock of the ten, the influence of a given amount of capital could be doubled again, and so on indefinitely.

It seems necessary for the evils of this system of financiering to be shown by actual experience. It is difficult to ward off danger because so many people are indifferent to the operation of a vicious principle until they are actually hurt by it. But while the public cannot easily be aroused in advance, it is always quick to respond when it feels the effect of bad principles put into practice and, in time, applies a remedy. If there were more foresight there would be less suffering.

Statesmanship vs. Money.

The senatorial campaign in Missouri admirably presents the contrast between democratic and republican methods. Ex-Governor Stone is the democratic candidate and Richard Kerens the republican candidate. The former, as chief executive of the state and as a member of congress, became acquainted with the state's needs and with national issues; the latter is acquainted with machine politics and with the state's corporate interests. The former has made a study of government and of public questions; the latter has been occupied with schemes for making money. While Governor Stone has been studying legislation with a view to protecting the rights and promoting the welfare of the people generally, Mr. Kerens has been taking advantage of governmental favoritism to add to his private fortune. Which of the two would best represent the great state of Missouri in the senate chamber?

Governor Stone goes among the voters, pointing out the evils to be feared and suggesting the remedies to be applied; Mr. Kerens relies upon a large campaign fund to carry a few close counties. Governor Stone appeals to the conscience and intelligence of the people and, if elected, will be under obligation to the people and to them alone; Mr. Kerens relies upon his money and the party machinery and, if elected, will be under obligation to the machine and to himself.

If the voters were as alert as they should be to the encroachments of organized wealth it would be impossible for a candidate like Mr. Kerens to steal a march on the public, but because so many blindly follow the party leaders and support any person or anything bearing the party brand it is necessary for democrats to talk to their neighbors and call attention to the situation.

In some states the corporations have carried democrats away on election day, and they try it in Missouri. Each democrat is told that one vote would not change the result and some yield to the temptation to take a free trip. No one can afford to make such a bargain. The railroads will not give passes for nothing and an honest man ought to resent a pass bribe as vigorously as he would a money bribe. Let every democrat be at the polls and see that the full vote of the party in his precinct is cast. Let every democrat endeavor to make a convert and thus give Stone an overwhelming majority.

Mr. Kerens is an affable and genial gentleman, but the thought of his going to the senate and killing Senator Cockrill's vote for six years will not be tolerated by the Missouri democracy—and thousands of republicans will join with the democrats in protesting.

What, More Money!

At this time when the advocates of the single gold standard are assuring us that the money question is dead, it is interesting to observe the efforts on the part of the secretary of the treasury to avoid a money famine.

Recently it was announced from Washington that Mr. Shaw had a plan "to relieve the money market in the event of a possible stringency." His plan was to persuade the national bankers to increase their issue of bank notes. Mr. Shaw evidently found some difficulty in accomplishing the desired result, but recent dispatches announce that he is congratulating himself on the fact that he has persuaded certain national banks to take out notes aggregating $12,000,000.

In his now famous interview, printed in the Chicago Record-Herald, Mr. Shaw protested against any agitation of the tariff question. He pointed out that all the money of the country was locked up in water-cured concerns, and he said he didn't want anything to happen. Something certainly would happen in the event of an agitation for a radical revision of the tariff under conditions which he described in a way to show that there is not even today money enough with which to do the business of the country.

Commenting upon Secretary Shaw's plan to relieve the money market, the Columbus (O.) Press makes this pertinent comment:

> "Bank notes are predicated on bonds, which are an interest-bearing burden upon the people. If the quantitative theory of money is the solution for financial stringencies why cannot the same relief be obtained by opening the mints for the manufacture of non-interest bearing money instead of starting the printing presses to stamp more mortgage currency for the people to use in their business dealings? Why not open the mints that will open the mines for the production of 'one of our coins of commerce, one of our own products,' as McKinley said at Toledo ten years ago?
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> "Open mines and open mints mean more employment, more machinery, more manufacture, more business and more money. Open mines and open mints will adjust finances on the quantitative plan in the event of financial stringency.
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> "And still the fiction goes the rounds that 'the money question is settled'—and some democrats are foolish enough to believe it."

TRUSTS---A REMEDY

Attention has already been called to the president's utterances on the trust question and it has been shown that he has no remedy that deserves to be considered. That other republican leaders are in the same condition is evident from two speeches recently delivered, one by Senator Dolliver, the leader of western republicans, and the other by Senator Lodge, the leading eastern republican. Senator Dolliver's principal remedy was, "Wait until natural laws assert themselves." He predicted that all of the great trusts of today would die a natural death within five years and advised patience. The insufficiency of such a remedy is plainly apparent. It is only a restatement of the argument of a Chicago banker, who said: "In the long run the trusts can do no harm." But suppose a man is short-winded and cannot stand a long run, what then? It is no consolation to a man who has been driven into bankruptcy by a trust to tell him that the trust cannot live more than five years. It is no relief to the public to promise that the era of extortion for any one trust will not last more than five years. If trusts are allowed to exist the dissolution of one trust will be followed by the formation of another and the interim of relief will be short compared with the duration of the period of injustice. Senator Dolliver suggested publicity, but he spent so much time trying to show that the trusts were not as black as they are painted and that they could not last very long, that he could not spare much time for the discussion of a remedy.

Senator Lodge's speech on the trust question was even weaker than Senator Dolliver's. Below will be found an extract from the press report of his Portland (Me.) speech:

> Portland, Me., Sept. 6.—The state campaign was ended tonight by the republicans with a big rally, at which Senator Henry Cabot Lodge of Massachusetts was the principal speaker. He gave his attention to the trust question. He said that the subject most in the minds of men was that of trusts and that the president had recently said some strong, wise words upon the subject. Senator Lodge said that the president was not at liberty, as he was, to discuss it from a party standpoint.
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> He described the trust in a technical way and said that to 95 per cent of them there was not the least objection. To undertake to destroy them by rash legislation, he said, would bring on at the present time the most disastrous business panic that could be imagined. He said that undoubtedly the great combinations present certain dangers and certain evils and that at present the difficulty was in distinguishing among the corporations. He had been asked, "What are the evils of the trust?" and he had replied that they can easily be enumerated. First and more serious is that there is a great popular suspicion about them. Somewhere there ought to be some means of a state controlling what it creates. He said this was an evil, because under this government he did not believe that anything a creature of the government should be beyond the government's control. There had been many schemes proposed to solve the trust question, and chief of these was legislation. Reckless legislation would be destructive to property. Another solution proposed is that of sweeping away the tariff duties on articles that a trust makes. He said that sounds easy and would be punative, no doubt. The most it could do would be to reduce profit. Some trusts would suffer, and Senator Lodge said that he would like to see the meat trust punished that way.
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> The steel trust, he said, is organized to compete in every market of the world, while many other companies having been built up under a protective tariff would be dealt a death blow should the tariff be removed. You may reduce the profits of the steel trust, but you