

The reactionary democrats can understand why no progressive should receive any office under the administration of President Wilson, but they can not understand why a progressive should object to a reactionary for anything.

partially differentiate where your own interests are concerned just as clearly as though you had no interests at stake, do you?" continued Mr. Untermyer.

"Exactly, sir," replied the witness.

"And you are acting on the assumption all the time, are you not?"

"I always do."

"Of course there is a possibility of your judgment being mistaken, is there not?"

"Oh, I may be wrong in my judgment, but I do not think it leads in that direction."

"Does it not go somewhat on the theory that the wish may be father to your thought?"

"What is your question?"

"That the wish to bring these interests together may lead you to believe the country is not injured by that sort of concentration?"

"I do not think so."

Later Mr. Untermyer touched upon the basis of money control.

"The control of credit involves the control of money, does it not?" he asked.

"No," said Mr. Morgan. "What I call money is the basis of banking."

"But the basis of banking is credit, is it not?"

"Not always," said the witness; "that is an evidence of banking, but it is not the money itself. The money is gold—nothing else."

Out of the discussion that followed between the lawyer and the banker Mr. Untermyer drew the fact that comparatively little money exists for the vast sub-superstructure of credit which it supports.

"If you had the control of all that represents the assets in the banks of New York you would have control of money, of all that money," he suggested.

"No, you would not," answered Mr. Morgan.

"If a man controlled the credit of a country he would control all of its affairs," said Mr. Untermyer.

"He might have that view," retorted the financier, "but he would not have the money. If he had the credit and I had the money his customer would be badly off."

Mr. Morgan again declared that money could not be controlled. He added that many men had great credit who had no money.

"Is it not believed that they have money back of them?" asked Mr. Untermyer.

"No, sir, it is because people believe in the man. I have known a man to come to my office and I have given him a check for a million dollars when I knew he had not a cent in the world."

Mr. Morgan was led at some length into a statement of his views on combination and concentration of financial affairs.

Mr. Morgan reiterated that he was an advocate of combination and co-operation, although he did not object to competition.

"Without you have control," he said, "you can not do anything."

"Is that the reason you want to control everything?" asked Mr. Untermyer.

"I want to control nothing," retorted the financier.

"There is no way one man can get a monopoly of money?" asked Mr. Untermyer.

"Or control of it," replied Mr. Morgan.

"He can make a try at it?"

"No sir; he can not. He may have all the money in Christendom, but he can not do it."

"If you owned all the banks in New York, with all their resources, would you not come pretty near having control of credit?" asked Mr. Untermyer.

"No, sir, not at all."

"Suppose you owned all the banks and trust companies, or controlled them, and somebody wanted to start up in the steel business against the United States steel corporation and wanted a vast amount of capital, and it was a good business, New York would be the natural market for money, would it not?"

"Yes."

"I want to know whether, if you controlled all these banks and a competitor came along or a potential competitor who wanted to compete, would he get the money from those banks you control?" asked Mr. Untermyer.

"Yes, he would."

"Some other man who might control might not take the same view you have?" suggested the lawyer.

"He would not have the control," replied Mr. Morgan.

"That is your idea of it? Your idea is that when a man has got a vast power, such as you have—you admit you have, do you not?"

"I do not know it, sir."

"You admit you have, do you not?"

"I do not think I have," said Mr. Morgan.

"You do not feel it at all?" asked Mr. Untermyer.

"No, I do not feel it at all."

"Well, assuming that you had it, your idea is that when a man abuses it he loses it?"

"Yes, and never gets it back again, either."

"Have you any instance in your mind of any such men who has had such power and control in order to experiment with it?"

"No, but I know from experience," said Mr. Morgan.

"Experience of your own?"

"No, I am talking about the experience of having things. What I mean to say is this: The question of control in this country at least is personal; that is, in money."

"Have you not seen many instances in the history of this country of financial men getting vast control and abusing it through a long period of years before they lost it?" asked Mr. Untermyer.

"Not one particular line and nobody that has what you call a money trust or anything of that kind," said Mr. Morgan.

"You admit, do you not, that men may get control of railroads or business enterprises and monopolize them and so abuse their privilege?"

"Yes."

"And you say that so far as the control of the credit is concerned they can not do the same thing?"

"On money, no, they can not control it," said Mr. Morgan.

"Then the thing goes back to the question of the control of banks and trust companies in New York," said Mr. Untermyer. "Do you think that a competitive condition in the banks and trust companies of New York is more or less preferable than a concentrated control over those banks?"

"I would rather have competition," said Mr. Morgan.

After ascertaining that a number of voting trusts in various railroads and industrial corporations were held by members of the firm of J. P. Morgan & Co. Mr. Untermyer asked: "Assuming you were the voting trusts for all the greater systems of railroads in the United States it would concentrate control in you would it not?"

"It would be a concentration in my hands but the board of directors are the ones, and you do not put the same board in every company," said Mr. Morgan.

"Sometimes they come pretty near it?" asked Mr. Untermyer.

"No sir, never," said Mr. Morgan.

"Take the banks of New York. Do you realize the identity of directors in the banks?"

"I do, but the number of directors is very small in proportion to them all."

"But do you realize the vast and dangerous concentration through having these same directors in various institutions?"

"No, sir, I do not see any danger at all," replied the banker.

"Do you think that competitive institutions that ought to be competitive should have the same boards?"

"Certainly not."

"Do you think they ought to have a preponderating influence in each board?"

"I do not," said Mr. Morgan.

"Do you see nothing improper in having the same men looking into another's business in competing institutions?" asked Mr. Untermyer.

"They are not looking into each other's business," answered the witness.

"It is the duty of a director to know what is going on in the bank, is it not?"

"But a general director does not know. He does not see the books," Mr. Morgan said.

"Mr. Morgan insisted that without actual control of a directorate, interlocked directors had no actual power."

"You take three banks," he said, "and then take three men and put them in each of these banks. In one bank they are three out of the

twenty-five; in another they are three out of twenty; in another they are three out of ten, if you like."

"But suppose you have named all the other directors?" said Mr. Untermyer, "suppose you have a voting trust and you have under the power given by that voting trust named the whole board, as has been done in these two cases of the guaranty trust and the bankers' trust?"

"I am not talking about voting trusts; I am passing now on the question of directors, of three directors who go into three or four or ten banks. I say that these three directors—and I have been in a good many banks and a good many corporations—I defy any man to get into any one of these boards. Even myself—I will say for the sake of comment—I do not believe I could carry any one question through any one board that I was director in, against the views of the directors."

"Is that all you wanted to say?"

"On the contrary, I have a great quantity of cases where I could bring in proofs of it. There is no question of control unless you have a majority of the directors in all the banks," said Mr. Morgan with emphasis.

"Can you name any instance in which the board of directors on these various voting trusts had undergone any considerable change after the expiration of the voting trust from the way in which it was constituted under the voting trust, except where death occurs the vacancies were filled?"

"I think very seldom," said the witness.

"You think they generally continue on the same board?"

"Yes, they are generally pretty well satisfied with what they do."

"Who?" asked Mr. Untermyer.

"The stockholders."

"Have you ever known an instance in the history of corporations in this country where the stock was largely scattered, in which the stockholders, however dissatisfied, have ever succeeded in procuring a change of management?"

"I do not recall any at the moment."

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THE CALL OF THE STREET

As We Hear It Through a Former President of the Stock Exchange.

Come, join in our gamble! Ye gullible, come! But do not forget ye must pay and be dumb,

In order, O lambs, to secure us,
Deposit your holdings of stock,
But utter no language sulphurous
If we should be pawning a block.
Remember the fact is
Legitimate practice
Is putting your Hocking in hock!

Come, play with the ticker, O populace tame!
But do not object to our rules of the game.

If Washem keeps buying and selling
A stock that is held in his hat,
What reason for public rebelling
Can critics discover in that
Such counterfeit action
In mines or in traction
May bring in some customers fat.

Come, see our stock-juggling! It's proper in trade
Provided our members' commissions are paid.

A stock to a frazzle is beaten
By men who on profits are bent.
The foolish investor is eaten
(His savings are swallowed, I meant).
Such work isn't ochre,
Provided the broker
Has raked in his proper per cent.

Come into the market, O Mr. E. Mark!
But do not forget that we work in the dark.

Our secrets are sacredly guarded
As those of the Council of Ten;
Who tells them is rudely discarded
And ne'er is a brother again.
By all it's admitted
He's wholly unfitted
To live with particular men.

You Born-Once-a-Minute, come deal with us! Do!
You certainly know what is waiting for you!
—John O'Keefe in New York World.