

Money Distributed to Buy Three National Elections

The secret is out at last. The truth was concealed and denied as long as possible, but now is revealed in a way that will impress it with terrible force upon the public mind. George W. Perkins, member of the firm of J. P. Morgan & Co., and first vice president of the New York Life Insurance company, was asked to explain an entry of \$48,702 in a ledger marked: "Ordered paid by the president."

Mr. Perkins, under oath, frankly stated that it was a contribution to the republican campaign fund in 1896 and he added that money had also been contributed in 1900 and 1904. He revived the base and hypocritical cry of 1896 when he said that the money was paid because "he felt the assets of the New York Life company would be jeopardized by democratic success." And then the pious Perkins said: "It must not be considered an ordinary contribution to the campaign fund."

No honest man who loves his country and who hates fraud will look upon such a contribution as anything but most extraordinary. And yet the New York Life officials did not consider the contribution unusual, for in 1900 and even in 1904 they contributed to the republican campaign fund.

In 1896 the money was paid to Cornelius N. Bliss, of the republican campaign committee. This man was one of the readiest mouthers of the cries, "anarchists, repudiationists, thieves, brood of hell," flung with apoplectic rage into the faces of populists and democrats in 1896. Ranked with Bliss were Chauncey M. Depew of Equitable Life shame; Marcus A. Hanna, the boss fraud of them all; Andrews, of Detroit, who said that the democratic candidate in 1896 was "the dishonest leader of dishonest men," and who himself afterward became an embezzler to the extent of \$1,600,000; Bigelow, the thieving bank president of Milwaukee, who pleaded in the name of the business interests that the republican ticket be elected. Even the man who is now president, Theodore Roosevelt, refused to shake hands with Governor Altgeld "because," he said, "I might some day have to meet him on the field of battle." Such was the temper of those days, and it was reeking through and through with this sort of infamous cant.

The hypocrits of 1896, after they had bought the election with the money of the people, continued to wear the halos they had pinned on their brows during the campaign. Some of them still wear those halos and will wear them until exposure comes, as it has come for many, in this good year of 1905. One by one, however, these men are being crucified on their own cross of gold. In Kansas City a few weeks ago District Attorney Jerome, of New York denounced Thomas W. Lawson, to whom chief credit for these exposures must be given. Beware, Mr. Jerome, lest you, who defended Wall street on that occasion, be classed with Depew, Bliss, Perkins, Rogers, Rockefeller and Morgan in their shame if not in their wealth. Time was when a politician could defend such a crew and be respected. Time was when those who attacked these men were condemned as anarchists. But that time has passed away. Their gilded wings have been singed and their flight is downward toward the abyss. Those who defend them in the press or on the platform are now regarded as hirelings.

The pious Perkins thought that the assets of the New York Life would be jeopardized by democratic success, and, therefore, he used the money of populists and democrats, as well as of republicans, to elect McKinley and defeat Bryan. Men who were voting for the democratic ticket were paying to elect the republican candidate and did not know it. Perkins thought that the assets of the insurance company would be imperilled if the republican candidate failed of election. And what does Perkins think of the peril now? Does he think that populists and democrats will continue to take out policies in any of the big companies? These companies will all be regarded in the same light, and true men of all political faiths will spurn them. Is it possible that Perkins does not see that his confession will do more harm to the assets of the big insurance companies than the contributions of 1896, 1900 and 1904 can ever do them good?

How insincere the witness was when he said that the insurance officials feared the assets would be jeopardized is attested by the fact that these officials were appropriating these assets to their own uses by private speculation and by drawing salaries they had not earned. It is evident, therefore, that the object of the contribution was to win favor for the insurance officials so that the law should not interfere with them in their dishonest practices.

District Attorney Jerome has announced that if the law has been

violated he will prosecute. This is important because prosecution will determine whether such contributions can be prevented by existing law. If they cannot be prevented then laws should be passed that will make it illegal for insurance officials to contribute trust funds for partisan purposes. Meantime, suit should be brought by the policy-holders to obtain restitution from the officials responsible for the contributions.

It is significant that the wealth of the country was opposed to Parker as well as to Bryan. When the democratic party betrayed itself to gain capitalistic support it was betrayed in turn. As in 1896 and in 1900 so in 1904 the insurance companies were called upon to contribute funds for the defeat of the democratic candidate and for the election of the republican candidate, who, in this instance, was Theodore Roosevelt. These are facts which it is well to make clear. Every intelligent man can draw his own conclusions and be guided accordingly in his future political action. But it must never again be lost sight of that national elections have been bought in this country and that they will be bought again, if Wall street and its sanctimonious impostors can close the deal.



Private Syndicate Graft Of the Insurance Officials

As a result of the New York investigation it is disclosed that the big insurance companies have made it a practice to buy and sell securities through banking and brokerage syndicates whose members are officers in the insurance companies. These syndicates are of a private character and their profits go to the members and not to the insurance companies.

Frederick Cromwell, treasurer of the Mutual Life Insurance company, was the only official clever enough to make a defense of the insurance syndicate. He said that twenty and thirty years ago, when the assets of the insurance companies were small, it was the custom to buy stocks and bonds through syndicates in no way connected with the insurance companies, that is to say through the ordinary brokerage firms. When, however, the assets increased to hundreds of millions the insurance companies found it more convenient to form subsidiary organizations to transact this business. In every instance the membership of these organizations was recruited from among the insurance officials. To show that it was absolutely necessary for the insurance company to buy through the syndicate rather than direct, Mr. Cromwell said that on one occasion he tried to buy some railway stocks of Hamilton Fish, president of the Illinois Central, but Mr. Fish said that he "could not afford" to sell direct to the Mutual Life. Mr. Cromwell failed to explain why President Fish could not carry on a direct buying and selling deal with the insurance company.

But granting that the subsidiary companies were necessary, which is by no means clear, it is evident that they were operated for purposes of private graft. In all the deals the money handled belonged to the policy-holders of the insurance companies. The officials of the companies were paid marvelous salaries to handle the funds entrusted to their care. From a moral point of view, therefore, all profits above expenses should have gone to the policy-holders. If it was necessary to operate subsidiary syndicates it was, of course, necessary to pay the ordinary expenses of such syndicates, but it was wrong for the hired officials of the insurance companies to take the profits accruing from syndicate transactions. All such profits should have been turned over to the insurance companies. Instead they were pocketed by the syndicate members. Could there be a clearer case of graft? To an outsider it seems as though Mr. Cromwell was neither conscientious nor accurate in his description of the process that led to the formation of the private syndicates. When the assets of the insurance companies mounted into the hundred millions and the officials saw what immense profits the brokerage firms were making it struck them that inside rings might form syndicates and take these profits. In a word, they saw a chance to graft and they grafted.

Modern business transactions have become so complex that the average business man, who has not been a close student of fundamental principles in ethics, can easily get his conscience into a hopeless tangle when he is making up his mind to graft. To steal or not to steal is not the question. The question does not present itself in such a clear light. A little quibbling, little sophistry, and your business man has convinced himself that he is merely using a scientific modern business method of adding dollar to dollar. Why should he not be paid handsomely for conceiving the idea of a syndicate and for devoting his time and talent to its operation. The policy-holders'