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CANDIDATES  
AND  
CAMPAIGN 1908 ISSUES



THE VOTER'S HAND-BOOK

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*by*

Robert Letts Jones

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# CANDIDATES AND THE ISSUES

AN OFFICIAL HAND-BOOK FOR EVERY AMERICAN CITIZEN

## POLICIES AND PLATFORMS OF ALL PARTIES

WITH PORTRAITS AND BIOGRAPHIES OF THE LEADERS INCLUDING  
THE : LIVES : OF : THE : PRESIDENTIAL : CANDIDATES

## AN OFFICIAL HISTORY OF THE CAMPAIGN OF 1908

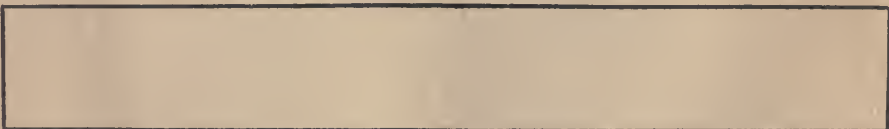
Presenting a grand panorama of political events  
All the potent facts to be adduced in behalf  
of all parties and their policies : : :

EDITED BY

**MARK H. SALT**

With Special Chapters Revealing the Inside Truths of the Industrial,  
Financial and Business World by

**HERBERT B. MULFORD and TRUMBULL WHITE**



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## PUBLISHER'S PREFACE

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One hopeful sign in the political horizon of to-day is the fact that the intense party fealty of a decade ago is yielding to the force of reason and argument, that States within the Union which but a few years ago could be counted in advance as "solid" for some Presidential candidate, are now considered "doubtful" until the people have registered their choice and the votes are counted. The demagogue who would lead his party to-day by appeals to passion and to party loyalty must give way to the political speaker who deals with basic principles, undisputed facts and living issues. No party can rightly assume to itself all the virtues of our political fabric. It is equally true that the evils of politics and the mistakes of legislators are the common heritage of all the parties that have been entrusted with power.

Political parties in any country where popular government prevails are a necessity. Freedom of speech and freedom of press emphasize differences of opinion, and men naturally take sides upon present issues and array themselves against each other in healthful and intellectual, but bloodless, combat. While this discussion of questions of the day prevails, loyal, intelligent voters, regardless of past party affiliations, will draw their own conclusions and cast their ballots for such men and for such measures as will in their opinion enhance the real interests of the land all parties love, and preserve unblemished the flag for which all loyal Americans, irrespective of party, stand ready, if need be, to die.

It is this patriotic spirit that has made men read and study and think and investigate for themselves, and if this has led to a change of convictions it was a good change and an honest change, regardless of the party affected. In this spirit of patriotism lies the real reason for the independent voter, the real power in politics to-day, and the force which all parties seek to direct by a careful, unbiased, able presentation of the issues of the pending campaign.

It is our country's proud record that in any emergency the judgment and intelligence of her people can be trusted. The great, liberty-loving heart of American citizenship is in the right place and can be depended upon to direct the life currents of the body politic aright. It is to that heart, throbbing with patriotic impulse and with intelligent interest in our country's welfare that these pages are directed with the conviction that they will diffuse valuable information upon the disputed question of The Battle of 1908.

In the preparation of this book, it has been our aim as publishers to present a volume that should bear the stamp of authenticity, that should ably and fairly discuss the issues which divide the people, that should contain the most potent arguments to be adduced in behalf of all parties and their policies, that should appeal to all political leaders as a work worthy of approval and endorsement, that should enable the great army of voters to study the issues of to-day in an intelligent manner and cast their ballots in the light of their own best judgment, that should have a value extending beyond the few short months of the campaign.

We know that this book presents to the public view most fully its purpose. In authorship we have sought and secured writers who command respect. They are men of influence in the councils of their respective parties and "speak as those having authority;" they are thoroughly posted upon the matters of which they write; they are men whose patriotism, intelligence and knowledge cannot be questioned; they each and all possess marked literary ability and are trained in the art of writing; they are in close touch with the people and present the issues of the day ably, honestly and fearlessly, content after the smoke of battle has passed away to abide by the decision of the real arbiters, the intelligent voters of our beloved America.



## THE PRESIDENTIAL CANDIDATES

---

### REPUBLICAN PARTY

*William Howard Taft for President*  
*James S. Sherman for Vice-President*

### DEMOCRATIC PARTY

*William Jennings Bryan for President*  
*John Worth Kern for Vice-President*

### PROBITIONIST PARTY

*Eugene W. Chafin for President*  
*Aaron S. Watkins for Vice-President*

### INDEPENDENCE PARTY

*Thomas L. Hisgen for President*  
*John Temple Graves for Vice-President*

### SOCIALIST PARTY

*Eugene V. Debs for President*  
*Benjamin Hanford for Vice-President*

### PEOPLE'S PARTY

*Thomas E. Watson for President*  
*Samuel W. Williams for Vice-President*

## STATE QUALIFICATIONS FOR SUFFRAGE

Requirements for Voters	Previous Residence Required				Registration	Ballot reform	Excluded from Voting
	State	County	Town	Precinct			
ALABAMA—Citizens of good character and understanding, or aliens who have declared intention; must exhibit poll-tax receipt.	2 y.	1 y.	3 m	3 m	Yes.	Yes.	If convicted of treason, embezzlement of public funds, malfeasance in office or other penitentiary offenses, idiots or insane.
ARKANSAS—Like Alabama except as to "good character."	1 y.	6 m	30 d	30 d	No	Yes.	Idiots, insane, convicts until pardoned, nonpayment of poll tax.
CALIFORNIA—Citizens by nativity; naturalized for 90 days, or treaty of Queretaro.	1 y.	90 d	....	30 d	Yes.	Yes.	Chinese, insane, embezzlers of public moneys, convicts.
COLORADO—Citizens, male or female, or aliens who declared intention 4 months before offering to vote.	1 y.	90 d	30 d	10 d	Yes.	Yes.	Persons under guardianship, insane, idiots, prisoners convicted of bribery.
CONNECTICUT—Citizens who can read.	1 y.	....	6 m	....	Yes.	Yes.	Convicted of felony or other infamous crimes unless pardoned.
DELAWARE—Citizens paying \$1 registration fee.	1 y.	3 m	....	30 d	No.	Yes.	Insane, idiots, felons, paupers.
FLORIDA—Citizens of United States.	1 y.	6 m	....	30 d	Yes.	Yes.	Persons not registered, insane or under guardian, felons, convicts.
GEORGIA—Citizens who can read and have paid all taxes since 1877.	1 y.	6 m	....	....	(a)	No.	Persons convicted of crimes punishable by imprisonment, insane, delinquent taxpayers.
IDAHO—Citizens, male or female.	6 m	30 d	3 m	10 d	Yes.	Yes.	Chinese, Indians, insane, felons, polygamists, bigamists, traitors, bribers.
ILLINOIS—Citizens of United States.	1 y.	90 d	30 d	30 d	Yes.	Yes.	Convicts of penitentiary until pardoned.
INDIANA—Citizens, or aliens who have declared intention and resided 1 year in United States.	6 m	60 d	60 d	30 d	No.	Yes.	Convicts and persons disqualified by judgment of a court, United States soldiers, marines and sailors.
IOWA—Citizens of United States.	6 m	60 d	10 d	10 d	(b)	Yes.	Idiots, insane, convicts
KANSAS—Citizens; aliens who have declared intention; women vote at municipal and school elections.	6 m	30 d	30 d	10 d	(b)	Yes.	Insane persons, under guardianship, convicts, bribers, defrauders of the government and persons dishonorably discharged from service of United States.
KENTUCKY—Citizens of United States.	1 y.	6 m	60 d	60 d	(c)	No.	Treason, felony, bribery, idiots insane.
LOUISIANA—Citizens who are able to read.	2 y.	1 y.	....	6 m	Yes.	No.	Idiots, insane, all crimes punishable by imprisonment, embezzling public funds unless pardoned.
MAINE—Citizens of the United States.	3 m	3 m	3 m	3 m	Yes.	Yes.	Paupers, persons under guardianship, Indians not taxed.
MARYLAND—Citizens of the United States who can read.	1 y.	6 m	6 m	1 d	Yes.	Yes.	Persons convicted of larceny or other infamous crime, persons under guardianship, insane, idiots.

STATE QUALIFICATIONS FOR SUFFRAGE—Continued

Requirements for Voters	Previous Residence Required				Registration	Ballot reform	Excluded from Voting
	State	County	Town	Preinct			
OREGON—White male citizens, or aliens who have declared intention 1 year before election.	6 m	....	....	....	No.	Yes.	Idiots, insane, convicted felons Chinese, United States soldiers and sailors.
PENNSYLVANIA—Citizens at least 1 month, and if 22 years old must have paid tax within 2 yrs	1 y.	....	....	2 m	Yes.	Yes.	Persons convicted of some offense forfeiting right of suffrage, non-taxpayers.
RHODE ISLAND—Citizens of United States	2 y	....	6 m	....	(e)	Yes.	Paupers, lunatics, idiots, convicted of bribery or infamous crime until restored.
SOUTH CAROLINA—Citizens of United States. who can read	2 y.	1 y.	4 m	4 m	Yes.	No.	Paupers, insane, idiots, convicted of treason, dueling or other infamous crime.
SOUTH DAKOTA—Citizens, or aliens who have declared intention.	6 m	30 d	10 d	10 d	(d)	Yes.	Persons under guardian, idiots, insane, convicted of treason or felony unless pardoned.
TENNESSEE—Citizens who have paid poll tax preceding year.	1 y.	6 m	....	....	(e)	Yes.	Convicted of bribery or other infamous crime, failure to pay poll tax.
TEXAS—Citizens, or aliens who have declared intention 6 months before election.	1 y.	6 m	6 m	....	(f)	Yes.	Idiots, lunatics, paupers, convicts, United States soldiers and sailors.
UTAH—Citizens of United States, male or female.	1 y.	4 m	....	60 d	....	....	Idiots, insane, convicted of treason or violation of election laws.
VERMONT—Citizens of United States.	1 y.	3 m	3 m	3 m	Yes.	Yes.	Unpardoned convicts, deserters from United States service during the war, ex-confederates.
VIRGINIA—Citizens of United States of good understanding who have paid poll tax for three years and all ex-soldiers.	2 y.	1 y.	1 y.	30 d	Yes.	Yes.	Idiots, lunatics, convicts unless pardoned by the legislature.
WASHINGTON—Citizens of United States.	1 y.	90 d	30 d	30 d	....	Yes.	Indians not taxed.
WEST VIRGINIA—Citizens of the state.	1 y.	90 d	10 d	....	No.	Yes.	Paupers, idiots, lunatics, convicts, bribers, United States soldiers and sailors.
WISCONSIN—Citizens, or aliens who have declared intention	1 y.	10 d	10 d	10 d	(a)	Yes.	Insane, under guardian, convicts unless pardoned.
WYOMING—Citizens, male or female.	1 y.	60 d	10 d	10 d	Yes.	Yes.	Idiots, insane, felons, unable to read the state constitution.

(a) In cities of 3,000 population or over. (b) In cities of not less than 9,000 inhabitants. (c) Nontaxpayers must register yearly before December 31. (d) In towns having 1,000 voters and counties where registration has been adopted by popular vote. (e) All counties having 50,000 inhabitants or over. (f) In cities of 10,000 or over.

In a more or less limited form, relating to taxation and school matters, woman suffrage exists in Arizona, California, Delaware, Idaho, Illinois, Indiana, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Vermont, Washington and Wisconsin.

STATE QUALIFICATIONS FOR SUFFRAGE—Continued

Requirements for Voters	Previous Residence Required				Registration	Ballot reform	Excluded from Voting
	State	County	Town	Precinct			
MASSACHUSETTS—Citizens who can read and write English.	1 y.	6 m	6 m	6 m	Yes.	Yes.	Paupers (except United States soldiers), persons under guardianship.
MICHIGAN—Citizens, or aliens who declared intention prior to May 8, 1892.	6 m	20 d	20 d	20 d	Yes.	Yes.	Indians holding tribal relations, duelists and their abettors.
MINNESOTA—Citizens of the United States.	6 m	30 d	30 d	30 d	(d)	Yes.	Treason, felony unless pardoned, insane, persons under guardianship, uncivilized Indians.
MISSISSIPPI—Citizens who can read or understand the constitution.	2 y.	1 y.	1 y.	1 y.	Yes.	Yes.	Insane, idiots, felons, delinquent taxpayers.
MISSOURI—Citizens, or aliens who have declared intention not less than 1 nor more than 5 years before offering to vote.	1 y.	60 d	60 d	60 d	(e)	Yes.	Paupers, persons convicted of felony or other infamous crime or misdemeanor or violating right of suffrage, unless pardoned; second conviction disfranchises.
MONTANA—Citizens of U. S.	1 y.	30 d	30 d	30 d	Yes.	Yes.	Indians, felons, idiots, insane.
NEBRASKA—Citizens, or aliens who have declared intention 30 days before election.	6 m	40 d	10 d	10 d	(b)	Yes.	Lunatics, persons convicted of treason or felony unless pardoned, United States soldiers and sailors.
NEVADA—Citizens of United States.	6 m	30 d	30 d	30 d	Yes.	Yes.	Insane, idiots, convicted of treason or felony, unamnestied confederates against the United States, Indians and Chinese.
NEW HAMPSHIRE—Citizens of United States.	6 m	6 m	6 m	6 m	Yes.	Yes.	Paupers (except honorably discharged soldiers), persons excused from paying taxes at their own request.
NEW JERSEY—Citizens of United States.	1 y.	5 m	....	....	Yes.	Yes.	Paupers, insane, idiots and persons convicted of crimes which exclude them from being witnesses unless pardoned.
NEW YORK—Citizens who have been such for 90 days.	1 y.	4 m	30 d	30 d	Yes.	Yes.	Convicted of bribery or any infamous crime unless pardoned, betters on result of election, bribers for votes and the bribed.
NORTH CAROLINA—Citizens of United States who can read.	2 y.	6 m	....	4 m	Yes.	No.	Idiots, lunatics, convicted of felony or other infamous crimes, atheists.
NORTH DAKOTA—Citizens, or aliens who have declared intention 1 year and not more than 6 prior to election and civilized Indians.	1 y.	6 m	....	90 d	(a)	Yes.	Felons, idiots, convicts unless pardoned, United States soldiers and sailors.
OHIO—Citizens of the United States.	1 y.	30 d	20 d	20 d	(b)	Yes.	Idiots, insane, United States soldiers and sailors, felons unless restored to citizenship.

(a) Registration required in some counties. (b) In all cities. (c) In the cities of first, second and third class. (d) Required in cities of 1,200 inhabitants or over. (e) In cities of 100,000 population or over.



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# INTRODUCTION

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## INDEPENDENCE OR INTERDEPENDENCE

MEASURED by the age of the records of mankind on earth, the length of a single generation, or even a single century, is but a short span. But there are single lives that are privileged to see greater events and greater progress than are recorded in a dozen centuries in the dark ages of the past. There is a tendency among all men, as there has been for many a day, to look back on the "good old times" and wish for a share in life as it used to be. No doubt the student of the Thirtieth Century will look back upon the romance that is dead, just as we are prone to look back on the picturesque events of colonial days, and the development of the civilization of Greece and Rome with a feeling that we lost much by not living when such significant things were happening.

But if we look at the situation judicially, we are forced to the conclusion that never in all history were greater movements under way than those of the immediate present. It seems probable that the Twentieth Century is to go down in history as one in which the most vital of human relations were determined and readjusted, the most important controversies of the classes and the masses settled, the rule of the special privilege brought to an end, and the recognition of the ethical righteousness of the "square deal" for every man, impregnably fixed in national policies and in the individual conscience.

The man who lives today cannot say with the dreamer, "The age of romance is dead." Instead, he should realize that he is in the midst of the most dramatic period in history—the period in which human rights are to be defined and preserved as they have never been before. The man who shares the activities of today, in station however humble, is a participant in the significant movements that are visible to every thinker. Tidal waves may wreak havoc upon a community, and be remembered for the disaster they have wrought. They are but local, even when greatest. The real work is done by the tide itself, which is universal over every sea, and though less spectacular than the cataclysmic storm, is irresistible, silent and constant. Perhaps we do not all notice the tide, but we are living at a time when it is approaching its maximum, and it will be well to observe its progress and its probable effects.

## INTRODUCTION.

or a fruit tree, or gathers the eggs from the hay mow, is rendering a service, and is entitled to be reckoned as a factor in the business world.

It would be reckless to enter the realm of prophecy, but at least one may venture to interpret some of the signs of the times. After a careful observation of the course of public opinion and legislation, it seems that the American public may be permitted to felicitate itself that a better day is dawning. No longer do we tolerate dishonesty in the political, industrial, financial and commercial world, merely because the guilty first become prosperous and then give grudgingly a part of their plunder to some public cause in the effort to palliate their offense. No longer do we view with patience the oppression of the many by the powerful few. No longer do we accept as intelligent argument the answer that "there have always been such evils in the world and there always will be." And no longer do we deny our own responsibility, washing our hands of the matter and leaving the solution to others. The whole mass of the people must enter into the subject. They must share the struggle and the responsibility for what follows. No man can shirk his part in the work of readjustment. That the facts here assembled may contribute in some degree to the mass of information necessary before any inquirer can arrive at well founded and honest conclusions, is the earnest hope of

THE AUTHORS

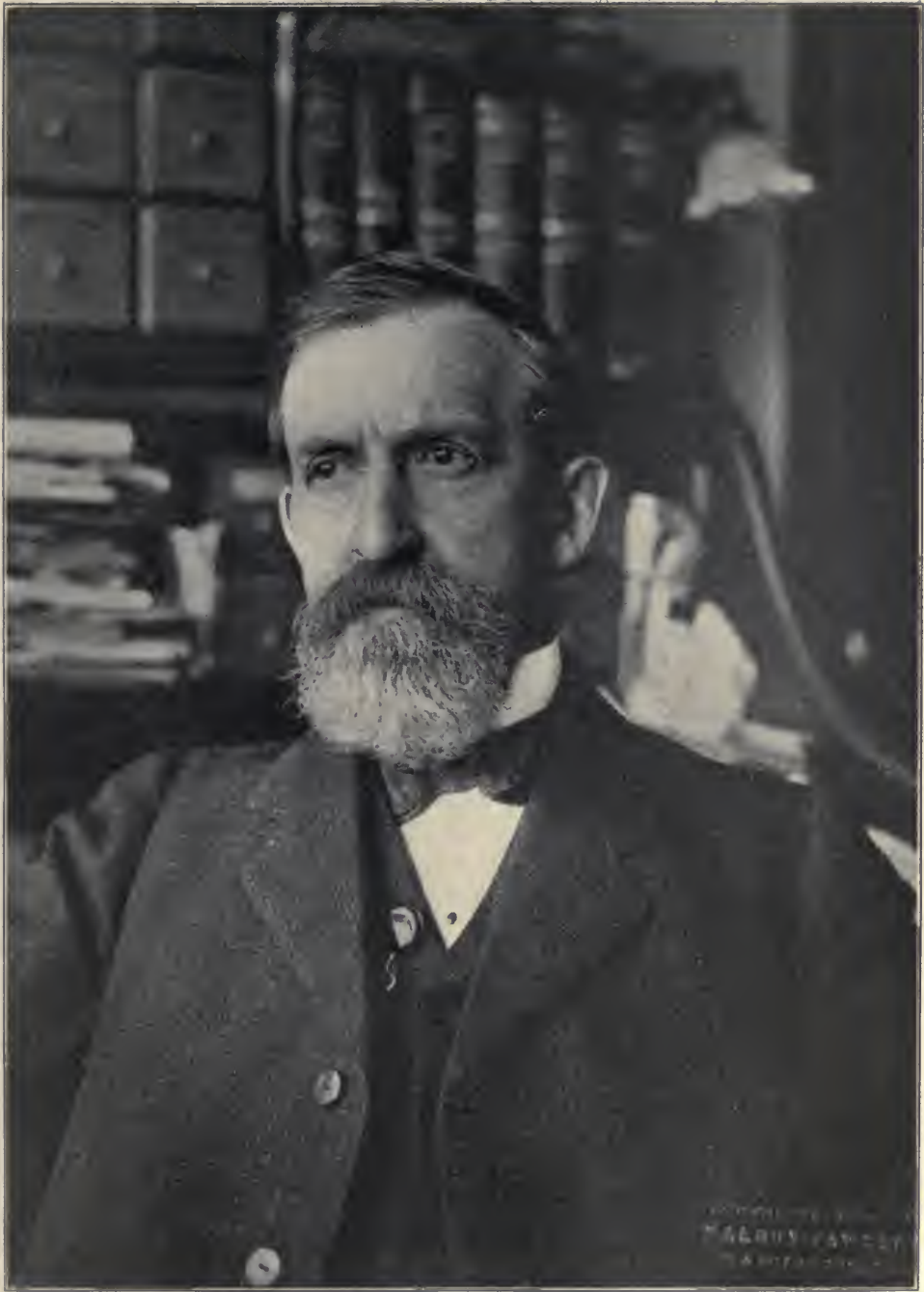


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REPUBLICAN CANDIDATE FOR PRESIDENT



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DEMOCRATIC CANDIDATE FOR PRESIDENT





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PROF. AARON S. WATKINS  
PROHIBITION CANDIDATE FOR VICE-PRESIDENT





THOMAS L. HISGEN  
INDEPENDENCE PARTY CANDIDATE FOR PRESIDENT



JOHN TEMPLE GRAVES  
INDEPENDENCE PARTY CANDIDATE FOR VICE-PRESIDENT



WILLIAM RANDOLPH HEARST



**EUGENE V. DEBS**

**SOCIALIST PARTY CANDIDATES FOR PRESIDENT AND VICE-PRESIDENT**



**BENJAMIN HANFORD**





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**MRS. WILLIAM H. TAFT**  
**WIFE OF THE REPUBLICAN CANDIDATE FOR PRESIDENT**



MRS. WILLIAM JENNINGS BRYAN



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SONS AND DAUGHTER OF THE REPUBLICAN CANDIDATE FOR PRESIDENT



WILLIAM J. BRYAN JR.

MISS GRACE BRYAN

Upper picture, Mrs. Ruth Bryan Leavitt and children Ruth and Bryan





ABRAHAM LINCOLN had a wonderful career. He was the eighteenth President of the United States. His parents were very poor and he was born in a Kentucky log cabin. In 1830 his father emigrated to Illinois. Lincoln had no advantages, his whole life being a hard and toilsome struggle against adversity. He fell at the hands of an assassin, in 1865, in his fifty-sixth year, but not until he had seen the results of his labors in behalf of his country. He was a "plain man," with an abiding faith in the "common people," and a great love for them; they loved him, too, and understood him. He was nature's nobleman. His oratory was simplicity itself, but grand and imposing.



## CHAPTER I

---

# CONSTITUTION OF THE UNITED STATES

WITH ALL AMENDMENTS

### PREAMBLE.

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

### ARTICLE I.

#### *Section 1.*

1. All Legislative powers herein granted, shall be vested in a Congress of the United States, which shall consist of a Senate and a House of Representatives.

#### *Section 2.*

1. The House of Representatives shall be composed of members chosen every second year by the people of the several States, and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

2. No person shall be a Representative who shall not have attained to the age of twenty-five years, and been seven years a citizen of the United States, and who shall not, when elected, be an inhabitant of the State in which he shall be chosen.

3. Representatives and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three fifths of all other persons.<sup>1</sup> The actual enumeration shall be made

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<sup>1</sup> This was altered by the XIVth amendment, section 2.

within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct. The number of Representatives shall not exceed one for every thirty thousand, but each State shall have at least one Representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to choose three, Massachusetts eight, Rhode Island and Providence Plantations one, Connecticut five, New York six, New Jersey four, Pennsylvania eight, Delaware one, Maryland six, Virginia ten, North Carolina five, South Carolina five, and Georgia three.

4. When vacancies happen in the representation from any State, the executive authority thereof shall issue writs of election to fill such vacancies.

5. The House of Representatives shall choose their speaker and other officers; and shall have the sole power of impeachment.

### *Section 3.*

1. The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature thereof, for six years; and each Senator shall have one vote.

2. Immediately after they shall be assembled in consequence of the first election, they shall be divided, as equally as may be, into three classes. The seats of the Senators of the first-class shall be vacated at the expiration of the second year; of the second-class, at the expiration of the fourth year; and of the third-class, at the expiration of the sixth year; so that one third may be chosen every second year; and if vacancies happen by resignation or otherwise, during the recess of the legislature of any State, the executive thereof may make temporary appointments until the next meeting of the legislature, which shall then fill such vacancies.

3. No person shall be a Senator who shall not have attained to the age of thirty years, and been nine years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State for which he shall be chosen.

4. The Vice-President of the United States shall be President of the Senate, but shall have no vote, unless they be equally divided.

5. The Senate shall choose their other officers, and also a President pro-tempore, in the absence of the Vice-President, or when he shall exercise the office of President of the United States.

6. The Senate shall have the sole power to try all impeachments. When sitting for that purpose, they shall be on oath or affirmation. When the President of the United States is tried, the Chief-Justice shall preside, and no person shall be convicted without the concurrence of two thirds of the members present.

7. Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust or profit, under the United States; but the party convicted shall, nevertheless, be liable and subject to indictment trial, judgment and punishment, according to law.

*Section 4.*

1. The times, places and manner of holding elections for Senators and Representatives, shall be prescribed in each State by the legislature thereof; but the Congress may at any time, by law, make or alter such regulations, except as to the places of choosing Senators.

2. The Congress shall assemble at least once in every year, and such meeting shall be on the first Monday in December, unless they shall by law appoint a different day.

*Section 5.*

1. Each House shall be the judge of the elections, returns and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent members, in such manner, and under such penalties, as each House may provide.

2. Each House may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two thirds, expel a member.

3. Each House shall keep a journal of its proceedings, and from time to time, publish the same, excepting such parts as may in their judgment require secrecy; and the yeas and nays of the members of either House, on any question, shall, at the desire of one fifth of those present, be entered on the journal.

4. Neither House, during the session of Congress, shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two Houses shall be sitting.

*Section 6.*

1. The Senators and Representatives shall receive a compensation for their services to be ascertained by law, and paid out of the Treasury of the United States. They shall, in all cases except treason, felony and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any speech or debate in either House they shall not be questioned in any other place.



2. No Senator or Representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased during such time; and no person holding any office under the United States, shall be a member of either House during his continuance in office.

*Section 7.*

1. All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

2. Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approve, he shall sign it, but if not, he shall return it, with his objections, to that House in which it shall have originated, who shall enter the objections at large in their Journal, and proceed to reconsider it. If, after such reconsideration, two-thirds of the House shall agree to pass the bill, it shall be sent, together with the objections, to the other House, by which it shall likewise be reconsidered, and if approved by two thirds of that House it shall become a law. But in all such cases the votes of both Houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the journal of each House, respectively. If any bill shall not be returned by the President within ten days (Sundays excepted) after it shall have been presented to him, the same shall be a law, in like manner, as if he had signed it, unless the Congress, by their adjournment, prevent its return, in which case it shall not be a law.

3. Every order, resolution or vote to which the concurrence of the Senate and House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or being disapproved by him, shall be repassed by two thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

*Section 8.*

The Congress shall have power:

1. To lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States.

2. To borrow money on the credit of the United States.

3. To regulate commerce with foreign nations and among the several States and with the Indian tribes.

4. To establish a uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States.

5. To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

6. To provide for the punishment of counterfeiting the securities and current coin of the United States.

7. To establish post-offices and post-roads.

8. To promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries.

9. To constitute tribunals inferior to the Supreme Court.

10. To define and punish piracies and felonies committed on high seas, and offenses against the law of nations.

11. To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water.

12. To raise and support armies; but no appropriation of money to that use shall be for a longer term than two years.

13. To provide and maintain a navy.

14. To make rules for the government and regulation of the land and naval forces.

15. To provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions.

16. To provide for organizing, arming and disciplining the militia and for governing such part of them as may be employed in the service of the United States, reserving to the States respectively the appointment of the officers, and the authority of training the militia, according to the discipline prescribed by Congress.

17. To exercise exclusive legislation, in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of government of the United States, and to exercise like authority over all places, purchased by the consent of the Legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards and other needful buildings;—and

18. To make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the government of the United States, or in any department or officer thereof.

*Section 9.*

1. The migration or importation of such persons as any of the States now



existing shall think proper to admit, shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight; but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person.

2. The privilege of the writ of habeas corpus shall not be suspended unless when, in cases of rebellion or invasion, the public safety may require it.

3. No bill of attainder or ex post facto law shall be passed.

4. No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken.

5. No tax or duty shall be laid on articles exported from any State. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another, nor shall vessels bound to or from one State be obliged to enter, clear or pay duties in another.

6. No money shall be drawn from the treasury but in consequence of appropriations made by law, and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

7. No title of nobility shall be granted by the United States; and no person holding any office of profit or trust under them, shall without the consent of the Congress, accept of any present, emolument, office or title, of any kind whatever, from any king, prince or foreign state.

#### *Section 10.*

1. No State shall enter into any treaty, alliance or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contract<sup>2</sup> or grant title of nobility.

2. No State shall, without the consent of the Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts laid by any State on imports or exports shall be for the use of the treasury of the United States; and all such laws shall be subject to the revision and control of the Congress. No State shall, without the consent of Congress, lay any duty of tonnage, keep troops or ships of war in time of peace, enter into any agreement or compact with another State or with a foreign power, or engage in war, unless actually invaded, or in such imminent danger as will not admit of delay.

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<sup>2</sup> This clause was inserted on account of the troubles arising from laws passed by various States after the Revolution, impairing the obligations of contracts by the issuing of paper money. A similar clause is found in the Ordinance for the government of the Northwest Territory, which is attributed to Richard Henry Lee, of Virginia.

## ARTICLE II.

*Section 1.*

1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of four years, and together with the Vice-President, chosen for the same term, be elected as follows:

2. Each State shall appoint, in such manner as the Legislature thereof may direct, a number of Electors, equal to the whole number of Senators and Representatives to which the State may be entitled in the Congress; but no Senator or Representative, or person holding an office of trust or profit under the United States, shall be appointed an Elector.

[The Electors shall meet in their respective States, and vote by ballot for two persons, of whom one, at least, shall not be an inhabitant of the same State with themselves. And they shall make a list of all the persons voted for, and of the number of votes for each: which list they shall sign and certify and transmit sealed to the seat of the government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted. The person having the greatest number of votes shall be the President, if such number be a majority of the whole number of Electors appointed; and if there be more than one who have such majority, and have an equal number of votes, then the House of Representatives shall immediately choose, by ballot, one of them for President; and if no person have a majority, then from the five highest on the list the said House shall, in like manner, choose the President. But in choosing the President, the votes shall be taken by States, the Representative from each State having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the States, and a majority of all the States shall be necessary to a choice. In every case, after the choice of the President, the person having the greatest number of votes of the Electors shall be the Vice-President. But if there should remain two or more who have equal votes, the Senate shall choose from them, by ballot, the Vice-President.<sup>3</sup>]

3. The Congress may determine the time of choosing the Electors, and the day on which they shall give their votes; which day shall be the same throughout the United States.

4. No person, except a natural born citizen, or a citizen of the United States at the time of the adoption of this Constitution, shall be eligible to the office of

<sup>3</sup>This clause has been superseded by the XIIth Amendment, which changes the mode of electing the President and Vice-President.

President; neither shall any person be eligible to that office who shall not have attained to the age of thirty-five years, and been fourteen years a resident of the United States.

5. In case of the removal of the President from office, or of his death, resignation or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President, and the Congress may by law provide for the case of removal, death, resignation or inability, both of the President and Vice-President, declaring what officer shall then act as President, and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

6. The President shall, at stated times, receive for his services a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected, and he shall not receive within that period any other emolument from the United States or any of them.

7. Before he enter on the execution of his office, he shall take the following oath or affirmation:

“I do solemnly swear (or affirm), that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect and defend the Constitution of the United States.”

### *Section 2.*

1. The President shall be commander-in-chief of the army and navy of the United States, and of the militia of the several States when called into the actual service of the United States; he may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices, and he shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment.

2. He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of Departments.

3. The President shall have power to fill up all vacancies that may happen, during the recess of the Senate, by granting commissions, which shall expire at the end of their next session.



*Section 3.*

He shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient; he may, on extraordinary occasions, convene both Houses, or either of them, and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper; he shall receive ambassadors and other public ministers; he shall take care that the laws be faithfully executed, and shall commission all the officers of the United States.

*Section 4.*

The President, Vice-President and all civil officers of the United States shall be removed from office on impeachment for, and conviction of treason, bribery, or other high crimes and misdemeanors.

## ARTICLE III.

*Section 1.*

The Judicial power of the United States shall be vested in one Supreme Court, and in such inferior courts as the Congress may from time to time, ordain and establish. The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior, and shall, at stated times, receive for their services a compensation, which shall not be diminished during their continuance in office.

*Section 2.*

1. The Judicial power shall extend to all cases, in law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States, between a State and citizens of another State, between citizens of different States, between citizens of the same State, claiming lands under grants of different States, and between a State or the citizens thereof, and foreign States, citizens or subjects.

2. In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have

appellate jurisdiction, both as to law and fact, with such exceptions, and under such regulations, as the Congress shall make.

3. The trial of all crimes, except in case of impeachment, shall be by jury; and such trial shall be held in the State where the said crimes shall have been committed; but when not committed within any State, the trial shall be at such place, or places, as the Congress may by law have directed.

*Section 3.*

1. Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason, unless on the testimony of two witnesses to the same overt act, or on confession in open court.

2. The Congress shall have power to declare the punishment of treason, but no attainder of treason shall work corruption of blood, or forfeiture, except during the life of the person attainted.

ARTICLE IV.

*Section 1.*

Full faith and credit shall be given in each State to the public acts, records and judicial proceedings of every other State. And the Congress may, by general laws, prescribe the manner in which such acts, records and proceedings shall be proved, and the effect thereof.

*Section 2.*

1. The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

2. A person charged in any State with treason, felony or other crime, who shall flee from justice, and be found in another State, shall, on demand of the Executive authority of the State from which he fled, be delivered up, to be removed to the State having jurisdiction of the crime.

3. No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up on claim of the party to whom such service or labor may be due.<sup>4</sup>

<sup>4</sup>This stipulation resembles that in Article VIII of the New England Colonial Confederation. On it were based the fugitive slave acts of Congress in 1793 and 1850. The third clause is borrowed in substance from the ordinance of 1787, establishing the government of the Northwestern Territory.



*Section 3.*

1. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the jurisdiction of any other State; nor any State be formed by the junction of two or more States, or parts of States without the consent of the legislatures of the States concerned as well as of the Congress.

2. The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

*Section 4.*

The United States shall guarantee to every State in this Union a republican form of Government, and shall protect each of them against invasion; and on application of the Legislature, or of the Executive (when the Legislature cannot be convened) against domestic violence.

## ARTICLE V.

The Congress, whenever two thirds of both Houses shall deem it necessary, shall propose Amendments to this Constitution, or, on the application of the legislatures of two thirds of the several States, shall call a convention for proposing Amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution, when ratified by the legislatures of three fourths of the several States, or by conventions in three fourths thereof, as the one or the other mode of ratification may be proposed by the Congress: Provided, that no Amendment which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the first article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

## ARTICLE VI.

1. All debts contracted and engagements entered into, before the adoption of this Constitution, shall be as valid against the United States under this Constitution as under the Confederation.

2. This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

3. The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation, to support this Constitution; but no religious test shall ever be required as a qualification to any office or public trust under the United States.

#### ARTICLE VII.

The ratification of the Convention of nine States shall be sufficient for the establishment of this Constitution between the States so ratifying the same.

Done in Convention by the unanimous consent of the States present, the seventeenth day of September in the year of our Lord one thousand seven hundred and eighty-seven, and of the independence of the United States of America the twelfth, IN WITNESS WHEREOF we have hereunto subscribed our names:

GEO. WASHINGTON, President and Deputy from Virginia.

New Hampshire.—John Langdon, Nicholas Gilman.

Massachusetts.—Nathaniel Gorham, Rufus King.

Connecticut.—Sam Johnson, Roger Sherman.

New York.—Alexander Hamilton.

New Jersey.—Will Livingston, Wm. Patterson, David Brearley, Jona. Dayton.

Pennsylvania.—B. Franklin, Robt. Morris, Tho: Fitzsimons, James Wilson,

Thomas Mifflin, Geo: Clymer, Jared Ingersoll, Gouv: Morris.

Delaware.—Geo: Read, John Dickinson, Jaco: Broom, Gunning Bedford, Jun'r,

Richard Bassett.

Maryland.—James M'Henry, Dan Carroll, Dan: of St. Thos. Jenifer.

Virginia.—John Blair, James Madison, Jr.

North Carolina.—Wm. Blount, Hu: Williamson, Rich'd Dobbs Spaight.

South Carolina.—J. Rutledge, Charles Cotesworth Pinckney, Pierce Butler.

Georgia.—William Few, Abr. Baldwin.

Attest, WILLIAM JACKSON, Secretary.

#### AMENDMENTS TO CONSTITUTION.

Congress of the United States, begun and held at the city of New York, on Wednesday, the fourth of March, one thousand seven hundred and eighty-nine.

The Convention of a number of the States, having at the time of their adopting the Constitution expressed a desire in order to prevent misconstruction or abuse of its powers, that further declaratory and restrictive clauses should be added; and, as extending the ground of public confidence in the Government, will best insure the beneficent ends of its Institution.

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, two thirds of both Houses concurring, that the following articles be proposed to the legislatures of the several States, all or any of which articles, when ratified by three fourths of said legislatures, to be valid to all intents and purposes, as a part of said Constitution; viz.

Articles in addition to, and amendment of the Constitution of the United States of America, proposed by Congress, and ratified by the legislatures of the several states pursuant to the fifth article of the original Constitution.

*(Article I.)*

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

*(Article II.)*

A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

*(Article III.)*

No soldier shall, in time of peace, be quartered in any house without the consent of the owner; nor in time of war but in a manner to be prescribed by law.

*(Article IV.)*

The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated, and no warrant shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

*(Article V.)*

No persons shall be held to answer for a capital or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself; nor be deprived of life, liberty or property, without due process of law; nor shall private property be taken for public use without just compensation.



*(Article VI.)*

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

*(Article VII.)*

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved, and no fact tried by a jury shall be otherwise re-examined in any Court of the United States than according to the rules of the common law.

*(Article VIII.)*

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

*(Article IX.)*

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

*(Article X.)*

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.<sup>5</sup>

[Two other articles of amendment were proposed at the first Congress, but were not ratified by the requisite number of States. They were the first and second as follows:

ARTICLE THE FIRST . . . . . After the first enumeration required by the first article of the Constitution there shall be one Representative for every thirty thousand, until the number shall amount to one hundred, after which the proportion shall be so regulated by Congress that there shall not be less than one hundred Representatives, nor less than one Representative for every forty thousand

<sup>5</sup> The first ten amendments were ratified by December 15, 1791. Patrick Henry, James Monroe, John Hancock, Samuel Adams and others had wished to see such an article as the tenth amendment inserted originally, and had opposed the adoption of the Constitution because it did not expressly reserve to the States the powers not actually delegated.

persons, until the number of Representatives shall amount to two hundred, after which the proportions shall be so regulated by Congress that there shall not be less than two hundred Representatives, nor more than one Representative for every fifty thousand persons.

ARTICLE SECOND . . . . . No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.]

(Article XI.)

The judicial power of the United States shall not be construed to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens of another State, or by citizens or subjects of any foreign State.<sup>6</sup>

(Article XII.)

The Electors shall meet in their respective States, and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same State with themselves; they shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President, and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President, and of the number of votes for each, which lists they shall sign and certify, and transmit sealed to the seat of the government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted; the person having the greatest number of votes for President shall be President, if such number be a majority of the whole number of Electors appointed; and if no person have such majority, then from the persons having the highest numbers, not exceeding three, on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But in choosing the President the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a member or members from two thirds of the States, and a majority of all the States shall be necessary to a choice. And if the House of Representatives shall not choose a President, whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President. The person having the greatest number of votes as Vice-President

<sup>6</sup> The eleventh amendment was declared ratified January 8, 1793.



shall be the Vice-President, if such number be a majority of the whole number of Electors appointed, and if no person have a majority, then from the two highest numbers on the list the Senate shall choose the Vice-President; a quorum for the purpose shall consist of two thirds of the whole number of Senators, and a majority of the whole number shall be necessary to a choice. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.<sup>7</sup>

(Article XIII.)

1. Neither slavery nor involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

2. Congress shall have power to enforce this article by appropriate legislation.<sup>8</sup>

(Article XIV.)

1. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States, and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any State deprive any person of life, liberty or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

2. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of Electors for President and Vice-President of the United States, Representatives in Congress, the executive and judicial officers of a State, or the members of the Legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

3. No person shall be a Senator, or Representative in Congress, or Elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath, as a member of Congress, or as an officer of the United States, or as a member of any State legis-

<sup>7</sup> This amendment was declared adopted September 15, 1804.

<sup>8</sup> The thirteenth amendment was declared adopted December 18, 1865.

lature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof. But Congress may, by a vote of two thirds of each House, remove such disability.

4. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

5. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.<sup>9</sup>

*(Article XV.)*

1. The right of citizens of the United States to vote shall not be denied or abridged by the United States, or by any State, on account of race, color, or previous condition of servitude.

2. The Congress shall have power to enforce this article by appropriate legislation.<sup>10</sup>

<sup>9</sup> The fourteenth amendment was declared adopted July 20, 1868.

<sup>10</sup> The fifteenth amendment was declared adopted March 30, 1870.

## CHAPTER II.

# THE REPUBLICAN CONVENTION

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When the Republican National Convention of 1908 opened its session in the Coliseum at Chicago on June 16th there was no uncertainty in the minds of the delegates as to who would be chosen for the first place on the ticket. In every respect the convention was one of the most enthusiastic and harmonious that the Republican party has ever held. The factional fights that had waged before the meeting of the convention over credentials had been settled and the delegates had accepted the decision of the national committee; therefore, when Temporary Chairman Julius Caesar Burrows called the convention to order at 12 o'clock he faced an enthusiastic assemblage of some fourteen thousand people who filled the vast auditorium and galleries to overflowing. The action that the convention was to take on the question of the integrity of the bench was shortly outlined in Senator Burrows' opening speech, in which he strongly inveighed against any influence which would divest the courts of their constitutional power or impeach their integrity. The cheer with which this reference was received plainly indicated what the action of the convention would be on this most vital plank of the platform.

In the course of Chairman Burrows' speech he made mention of President Roosevelt as one of the vital and forceful figures in the career of the Republican party. This led to a remarkable demonstration of applause which lasted for a few moments and which broke out at intervals whenever the name of President Roosevelt was mentioned. After the conclusion of Chairman Burrows' address the formal proceedings of the convention began with the presentation of motions by Congressman Sereno E. Payne of New York, that the rules of the last convention prevail until new rules be presented; by Senator Long of Kansas, who presented the resolution for the appointment of committees on resolutions, credentials, permanent organization and rules and order of business. The names of these committees were, by motion of Senator Lodge of Massachusetts, turned in to the secretary of the convention without reading and the convention then took a recess until 12 o'clock, June 17. When the convention reassembled on Wednesday, June 17, the report of the Committee on Credentials seating all the Taft delegates, was adopted without dissent. The report of the Committee on Rules was also



adopted, in spite of the fact that a minority report was made favoring a reduction of the representation from Southern states. This report was presented by James Francis Burke of Pennsylvania and declared that the basis of representation in the Republican National Convention in the future should be determined by the Republican vote cast by the states. Each state, according to the minority, should be entitled to four delegates at large and one additional delegate for each ten thousand votes cast at the last preceding Presidential election. The result of this rule would have the effect of reducing the delegation from the Southern states while it would work a corresponding increase in delegates among the states of the North.

This minority report called out considerable oratory in five minute addresses. Among those who took part in the arguments were Burke of Pennsylvania, Gov. A. E. Wilson of Kentucky, Gen. Kiefer of Ohio, Ex-Governor Herrick of Ohio, Ex-Gov. Warmouth of Louisiana, James Watson, candidate for governor of Indiana, and several others. The vote on the minority proposition resulted in a defeat and the adoption of the majority report by a vote of 506 to 471.

The report of the Committee on Permanent Organization was presented and Temporary Chairman Burrows appointed Gov. Deneen of Illinois and Gen. Stewart L. Woodford of New York to escort Permanent Chairman Lodge to the platform. He then presented Senator Lodge with the gavel and introduced him to the convention as its permanent chairman.

Chairman Lodge's address began with a review of the influence and achievements of the Republican party, for which he painted a future far outrivaling its past. As he neared the conclusion of his address he mentioned the name of President Roosevelt and then the most remarkable demonstration of enthusiasm took place. The convention rose en masse and gave vent to a thunderous, deafening outburst of applause that bade fair to lift the roof from the convention hall.

Senator Lodge paused in his address and appeared to be surprised. He tried to resume the interrupted thread of his speech but he might as well have talked in a boiler shop. He waved his hands at the convention in a effort to quiet them, but that only added to the impetuosity of the delegates and spectators. He rapped with his gavel, but nobody could hear the sound. Mr. Lodge was unable to take up his speech and carry it through to its conclusion. After this the convention took a recess until ten o'clock on June 18, at which time the report of the Committee on Platform was expected to be ready for presentation.

When the convention reassembled on Thursday Senator Albert J. Hopkins of Illinois, chairman of the resolutions committee, presented the platform which had been agreed upon in conference and which had been accepted by every member of the committee except Congressman Cooper of Wisconsin, who presented a



minority report. The convention applauded the majority report on platform and good-naturedly gave Mr. Cooper a chance to state his views, after which a roll call was demanded on three propositions set forth in the minority report. These were the question of publicity in campaign contributions, which was defeated by 880 votes to 94; the physical valuation of railroads, by 917 to 63; and the election of senators by popular vote, by 866 to 114. The minority report was then voted upon and rejected by a vote of 952 to 28. After this the platform was adopted by acclamation.

There were no nominations as the roll of states was called until Illinois was reached, when Congressman H. S. Boutell mounted the platform and presented the name of Speaker Joseph B. Cannon. He paid an eloquent tribute to the ability and public service of the "grand old man of Illinois," and for two minutes the convention abandoned itself to vociferous applause. Speaker Cannon's nomination was seconded by Congressman J. W. Fordney of Michigan.

When Indiana was reached on the roll of states, Gov. J. F. Hanly nominated Charles W. Fairbanks. The nomination of Mr. Fairbanks was seconded by Mayor C. W. Bookwalter of Indianapolis.

No further nominations were made until New York was reached on the roll call, when General Stewart L. Woodford presented the name of Governor Hughes. Gen. Woodford was given a respectful hearing and then the call of states was resumed until Ohio was reached.

This was evidently the point for which the convention had been waiting, and it broke out into applause. Congressman Burton of Ohio presented the name of Mr. Taft in a speech which took less than twenty minutes and at its conclusion the convention again abandoned itself to applause for twenty-four minutes. Then a Taft banner was brought into the convention hall and the Ohio delegates started a parade around the building in which they were soon joined by the delegates from 33 other states, all singing and cheering for Taft. When the noise had subsided sufficiently, George A. Knight of California seconded the nomination of Mr. Taft, and he was placed in nomination.

The name of Joseph B. Foraker of Ohio was presented by C. P. McCoy, and the seconding speech was made by W. O. Emory, a negro member of the Georgia delegation.

When Pennsylvania was reached on the roll call, Lieut. Gov. Murphy of that state nominated Senator Knox, and was seconded by James Scarlett.

Senator La Follette of Wisconsin was placed in nomination by Henry F. Cochems, and C. A. A. McGee seconded the nomination.

Nominations having been concluded, Chairman Lodge ordered a vote, which resulted as follows:

William H. Taft.....	702
Philander C. Knox.....	68
Charles E. Hughes.....	63
Joseph G. Cannon.....	61
Charles W. Fairbanks.....	40
Robert M. La Follette.....	25
Joseph B. Foraker.....	16
Theodore Roosevelt.....	3
Absent.....	2
Total.....	980
Necessary to nominate.....	491

The convention's work for the day ended and adjournment was taken until Friday morning, at which time it was expected that the delegates would have agreed on their choice for the vice-presidential nomination.

#### CREDENTIALS.

On the number of delegates that can be secured by a candidate depends the choice of a party for its presidential nominee, and the fight among the candidates for the presidential nomination was waged with friendly vigor for two years or more preceding the meeting of the Republican convention. As is always natural in political contests, there were disputes for the delegates to the Republican Convention of 1908, the same as there has been at every convention the party has held heretofore. Up to the time of the meeting of the Republican National Committee on June 5, 1908, in Chicago, there was more or less uncertainty as to the attitude of the delegates accredited from the several states, although the preponderance was decidedly in favor of Wm. H. Taft. Still, at the time when the national committee met to decide upon these contests there was no one who could foresee or tell what its probable action might be. The principal contests were from the Southern states, where the adherents of Joseph B. Foraker of Ohio claimed to have delegations in opposition to those accredited to Mr. Taft. The hearing before the national committee began on June 5 and was continued day by day until all the contested cases had been disposed of. The first case to come before the national committee was that of Alabama, which was decided in favor of Mr. Taft as against the claim of Mr. Foraker and which resulted in the seating of 24 Taft delegates. This was

only premonitory of the final result, as there had been high hopes on the part of Mr. Foraker and the other candidates for the presidential nomination that the national committee might decide against Mr. Taft and in favor of the contesting delegations. Any such hopes that they might have entertained were effectually dispelled when the committee met the next day and took up the contest in the states of Florida and Georgia. The result of this day's work was that in a session lasting less than three hours the national committee seated every Taft man and rejected every contestant. The majority of Mr. Taft was further swelled in the following week when the committee reached the case of Louisiana and Mississippi. In the case of Louisiana the committee divided the vote equally between the Taft and anti-Taft men, but in the case of Mississippi it seated the entire delegation of sixteen for Mr. Taft. The fight over Louisiana delegation was a compromise and only decided by the national committee with a view toward harmony in the party. On the following day, June, 10, the national committee added thirty-four more votes to the Taft forces, bringing the total up to date for Mr. Taft to 489 votes. Mr. Taft's thirty-four votes came from contested delegations in Missouri, North Carolina, Ohio, Pennsylvania and South Carolina. The only vote that was awarded to any other candidate than Mr. Taft was one vote awarded to Mr. Foraker from Ohio, who was allowed two delegates in the convention, each having one-half vote apiece.

On the following day, June 11, the committee again met and added 46 more delegates to the Taft column, and by this time his opponents had practically conceded their defeat, although they kept up a vigorous contest before the national committee until the very last. The contest decided on this day, with those of South Carolina, Tennessee and Texas, and in every case they were decided in Mr. Taft's favor. The action in the case of the Tennessee delegation was vigorously contested by National Committeeman Brownlow of that state, who made an urgent plea that the delegates on both sides be allowed half a vote apiece. This was defeated by an overwhelming vote by the national committee on motion of Senator Lodge of Massachusetts. The work of the national committee was finally completed on June 12, on which date it finished up its work on the contest, which gave Mr. Taft 704 votes on the temporary roll of the convention, with 227 instructed delegates for other candidates and 49 votes in the doubtful column. In all the national committee threw out 219 contesting delegates and decided out of this number 216 were accredited to Mr. Taft and only three to Mr. Foraker of Ohio.

Naturally there was much dissatisfaction at this decision on the part of the other candidates, and there was more or less talk of an alliance of forces on the part of Mr. Cannon, Mr. Fairbanks, Mr. Foraker, Mr. Knox and Mr. Hughes to carry the contest from the national committee to the floor of the convention in an effort



to have the action of the national committee reversed. If this plan had been carried out and had met with success, it would naturally have thrown the question of the nomination for President into suspense, as then there would have been no one candidate with a majority of votes sufficient to have secured the nomination. There was considerable feeling engendered among the adherents of the respective candidates by what was termed the "steam roller" methods of the national committee in its decisions on the contest, but on calmer consideration this feeling subsided and it was universally recognized that the national committee had performed a difficult and arduous task with perfect fairness and justice to every candidate. As a consequence of this sober second thought on the part of the other candidates and their friends the contest on the floor of the convention never materialized and the action of the national committee in the seating of contesting delegations was approved without one dissenting voice.

Much of the credit for the intelligent and forceful presentation of the claims of Mr. Taft's delegates before the national committee must be awarded to the skillful manner in which his interests were presented by his able lieutenants, Frank H. Hitchcock, former Assistant Postmaster General, and Arthur I. Vorys of Ohio. The able presentment that the gentlemen were able to make before the national committee, as well as the known preference of President Roosevelt for the nomination of Mr. Taft, carried all the weight that was necessary to give the latter gentleman an easy victory. Combined with the efforts of his campaign managers was, however, the disputable in legality of the election of his delegates from the Southern States, and this was really the only point that entered into the national committee's discussion.

The only work that remained before the Convention on its reassembling Friday, June 19, was the nomination of a candidate for Vice-President. During the night there were many conferences of the leaders, and the consensus of opinion seemed to be that Congressman James S. Sherman of New York was the most acceptable candidate. When the convention met Friday morning Mr. Sherman was placed in nomination by Timothy Woodruff of New York, and the nomination was seconded by Speaker Cannon of Illinois, who delivered a speech glowing in its eulogy of the effective work Mr. Sherman had done as a member of Congress. The only other candidates named were Governor Curtis Gould of Massachusetts, and Franklin Murphy of New Jersey. Senator Cabot Lodge of Massachusetts, Chairman of the Convention, surrendered his office temporarily for the privilege of placing Governor Guild in nomination. Franklin Murphy of New Jersey was placed in nomination by Thomas N. McCarter, formerly attorney general of that state. On the first ballot Mr. Sherman was declared the nominee, the vote resulting.

Sherman . . . . .	816	Fairbanks . . . . .	1
Murphy . . . . .	77	Delegates present . . . . .	1
Guild . . . . .	75	Delegates absent . . . . .	1
Sheldon . . . . .	10		

This ended the work of the convention, which then adjourned sine die.



## CHAPTER III.

# THE REPUBLICAN PARTY PLATFORM

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It is by its platform that the principles of a party are known. The declarations of a platform are binding upon Republican Presidents and upon Republican Congressmen and Senators, and the party expects that the President and its national legislators will carry out its instructions as outlined by the voice of its national convention.

In the platform of 1908, on which Mr. Taft and the Republican party expects to ride into victory at the polls, there were two issues of vital importance, both of which aroused intense feeling in every section of the country and one of which was accounted of such a radical nature that it excited the indignant protest of business men in every section of the nation. This was the Anti-Injunction plank which was advocated by the labor organizations under the leadership of Mr. Gompers, President of the American Federation of Labor, and which had obtained the support of many Republican leaders in the hope that it would solidify the labor vote and the labor interests in behalf of the Republican party. In brief, the anti-injunction plank, as it was called, was one to limit the power of the courts in injunction proceedings, and also to relieve labor unions from the penalties that attach to them for conspiracy and boycott in cases where they had contests with employers of labor. It was practically an amendment to the Sherman Anti-Trust Act, and was incited by a recent decision of the United States Supreme Court that in cases where a labor union or an association of labor unions boycott a manufacturer and hamper or destroy his trade in interstate commerce, the members of such labor unions and the officials of such labor unions are criminally and civilly liable under the Sherman Act and can be proceeded against, both civilly and criminally, and damages recovered in three-fold for such injury as they may have inflicted upon the complainant.

The labor forces under the leadership of Mr. Gompers objected strenuously to this ruling and sought to secure a declaration in the Republican platform that there should be such an amendment of the Sherman Act as to nullify the effects of this decision and also to make it impossible for the courts to interfere with strikes by labor injunction. No other issue ever before a national Republican convention

in twenty years has aroused so much acrimonious discussion as this proposed plank. One of the most active opponents of any attempt to limit the powers of the Federal courts in labor disputes was Speaker Joseph G. Cannon, who arrayed himself in opposition to any movement to curtail or abridge the powers of the judiciary in any manner. A tentative plank on this subject was framed at a conference of leaders of the party at Washington and it was understood that this plank had the sanction of President Roosevelt as well as Secretary of War Taft. The discussion of this plank in the Committee on Resolutions provoked the most violent opposition. President Gompers of the American Federation of Labor was allowed to appear before the committee and present his plea for a plank that would put a curb upon the powers of the courts and practically nullify their influence in cases of disputes between employers and labor. An attempt was made to reach a compromise between the demands of the labor leaders and those of the men opposed to any interference with the judicial powers of the courts as at present existing. As finally adopted the plank failed to place any limit otherwise than at present existing upon the power of the courts and practically reaffirms their present status. It did so, however, with a proviso, which was looked upon by many as a compromise, but which utterly failed to meet the wishes of the labor leaders and which was bitterly resented in consequence as a snub by the Republican party.

After stating that the Republican party will at all times uphold the authority and integrity of the courts and will advocate that their powers shall be preserved inviolate, the plank goes on to state that the party is in favor of a more accurate definition by statute of the rules of procedure in the Federal court with respect to the issuance of the writ of injunction, and that no injunction or temporary restraining orders should be issued without notice except an irreparable injury would result from delay, in which case thereafter a speedy hearing should be granted.

This was regarded as a compromise plank, although it met with vigorous opposition in the Committee on Resolutions, which fought hard to have any declaration on the question of anti-injunction completely eliminated from the platform. It failed to placate the labor leaders, however, who loudly announced their dissatisfaction with the action of the convention which ratified the plank, and announced their intention to carry the subject before the Democratic convention at Denver in July.

The other plank which excited the most interest was that which committed the party to a revision of the tariff by a special session of Congress. There was no concerted opposition to the adoption of this plank by the members of the committee, but there was considerable opposition manifested by members of the American Protective Tariff League, which embraces in its membership representa-

tives of the principal industries of the country. It was the almost unanimous opinion of the committee, however, that the time had arrived for tariff revision, that the people were in favor of it and demanded it, that the subject would be so treated as to avoid any demoralization of American industries or disturbance of the rate of wages paid to American laborers and artisans, and that therefore it was expedient to accede to the wishes of a very large section of the Republican party and remove what threatened to grow into a most grievous cause of dissension.

The chief grounds of opposition on which the opponents of tariff revision based their attitude was that a reduction of the tariff would mean less industrial activity, greater importations from abroad, with a consequent loss of employment for American labor and lower wages. If there must be a revision of the tariff, they argued, let it be revised upward, not downward. They also pointed to the fact that the condition of the United States treasury was not such as to warrant a lessening of the duties on foreign goods, as a deficit existed for the fiscal year 1908, with every probability of a deficit existing for the ensuing year.

There were other planks, however, of importance which engaged the attention of the Resolutions Committee and which were all significant of the progressive ideas of the Republican party as finally adopted in the platform. One of these was the declaration on the Philippine tariff, favoring a free interchange of products, with limitations as to sugar and tobacco. Another was the declaration in favor of the establishment of postal savings banks. Still another was that in favor of the establishment of a permanent currency system that will avoid all emergencies. Other declarations were that in favor of the negro and against all attempts to disfranchise him or deprive him of any of the rights of an American citizen. The work that has been done in connection with the Panama canal was also heartily approved of.

The full text of the platform of the Republican party as adopted in the national convention is as follows:

"Once more the Republican party, in national convention assembled, submits its cause to the people. This great historic organization that destroyed slavery, preserved the Union, restored credit, expanded the national domain, established a sound financial system, developed the industries and resources of the country and gave to the nation her seat of honor in the councils of the world now meets the new problems of government with the same courage and capacity with which it solved the old.

"In this the greatest era of American advancement the Republican party has reached its highest service under the leadership of Theodore Roosevelt. His administration is an epoch in American history. In no other period since national sovereignty was won under Washington, or preserved under Lincoln, has there been such mighty progress in those ideals of government which make for justice, equality, and fair dealing among men. The highest aspirations of the American people have found a voice. Their most exalted servant represents the best aims and worthiest purposes of all his countrymen. American manhood has been lifted to a nobler sense of duty and obligation. Conscience and courage in public station and higher standards of right and wrong in private life have become cardinal principles of political faith; capital and labor have been



brought into closer relations of confidence and interdependence; and the abuse of wealth the tyranny of power, and all the evils of privilege and favoritism have been put to scorn by the simple, manly virtues of justice and fair play."

**LAWS ARE FULLY ENFORCED.**—"The great accomplishments of President Roosevelt have been, first and foremost, a brave and impartial enforcement of the law, the prosecution of illegal trusts and monopolies, the exposure and punishment of evildoers in the public service, the more effective regulation of the rates and service of the great transportation lines, the complete overthrow of preferences, rebates, and discriminations, the arbitration of labor disputes, the amelioration of the condition of wage workers everywhere, the conservation of the natural resources of the country, the forward step in the improvement of the inland waterways, and always the earnest support and defense of every wholesome safeguard which has been made more secure the guaranties of life, liberty, and property.

"These are the achievements that will make for Theodore Roosevelt his place in history, but more than all else the great things he has done will be an inspiration to those who have yet greater things to do. We declare our unflinching adherence to the policies thus inaugurated and pledge their continuance under a Republican administration of the government."

**NATION RICHEST IN THE WORLD.**—"Under the guidance of Republican principles the American people have become the richest nation in the world. Our wealth today exceeds that of England and all her colonies and that of France and Germany combined. When the Republican party was born the total wealth of the country was \$16,000,000,000. It has leaped to \$110,000,000,000 in a generation, while Great Britain has gathered but \$60,000,000,000 in 500 years. The United States now owns one-fourth of the world's wealth and makes one-third of all modern manufactured products. In the great necessities of civilization, such as coal, the motive power of all activity; iron, the chief basis of all industry; cotton, the staple foundation of all fabrics; wheat, corn, and all of the agricultural products that feed mankind, America's supremacy is undisputed. And yet her great natural wealth has been scarcely touched. We have a vast domain of 3,000,000 square miles, literally bursting with latent treasure, still waiting the magic of capital and industry to be converted to the practical uses of mankind; a country rich in soil and climate, in the unharnessed energy of its rivers and in all the varied products of the field, the forest, and the factory. With gratitude for God's bounty, with pride in the splendid productiveness of the past, and with confidence in the plenty and prosperity of the future, the Republican party declares for the principle that in the development and enjoyment of wealth so great and blessings so benign there shall be equal opportunity for all.

"Nothing so clearly demonstrates the sound basis upon which our commercial, industrial and agricultural interests are founded, and the necessity of promoting the present continued welfare through the operation of Republican policies, as the recent safe passage of the American people through a financial disturbance which, if appearing in the midst of Democratic rule or the menace of it, might have equaled the familiar Democratic panics of the past. We congratulate the people upon this renewed evidence of American supremacy and hail with confidence the signs now manifest of a complete restoration of business prosperity in all lines of trade, commerce, and manufacturing.

"Since the election of William McKinley in 1896 the people of this country have felt anew the wisdom of intrusting to the Republican party through decisive majorities the control and direction of national legislation.

"The many wise and progressive measures adopted at recent sessions of Congress have demonstrated the patriotic resolve of Republican leadership in the legislative department to keep step in the forward march to better government.

"Notwithstanding the indefensible filibustering of a Democratic minority in the House of Representatives during the last session many wholesome and progressive laws were enacted, and we especially commend the passage of the emergency currency bill, the appointment of the national monetary commission, the employers' and government liability laws, the measures for the greater efficiency of the army and navy, the widows' pension bill, the child labor law for the District of Columbia, the new statutes for the safety of railroad engineers and firemen, and many other acts conserving the public welfare."

**SETS FORTH VIEWS ON TARIFF.**—"The Republican party declares unequivocally for a revision of the tariff by a special session of Congress immediately following the in-



auguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets, and the minimum to represent the normal measure of protection at home; the aim and purpose of the Republican policy being not only to preserve, without excessive duties that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage earners of this country, who are the most direct beneficiaries of the protective system. Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests."

**APPROVES CURRENCY LAW.**—"We approve the emergency measures adopted by the government during the recent financial disturbance, and especially commend the passage by Congress at the last session of the law designed to protect the country from a repetition of such stringency. The Republican party is committed to the development of a permanent currency system responding to our greater needs and, the appointment of the national monetary commission by the present Congress, which will impartially investigate all proposed methods, insures the early realization of this purpose. The present currency laws have fully justified their adoption, but an expanding commerce, a marvelous growth in wealth and population, multiplying the centers of distribution, increasing the demand for movement of crops in the West and South, and detailing periodic changes in monetary conditions, disclose the need of a more elastic and adaptable system. Such a system must meet the requirements of agriculturists, manufacturers, merchants, and business generally, must be automatic in operation, minimizing the fluctuations in interest rates, and, above all, must be in harmony with that Republican doctrine which insists that every dollar shall be based upon and as good as gold."

**FOR POSTAL SAVINGS BANKS.**—"We favor the establishment of a postal savings bank system for the convenience of the people and the encouragement of thrift.

"The Republican party passed the Sherman anti-trust law over Democratic opposition, and enforced it after Democratic dereliction. It has been a wholesome instrument for good in the hands of a wise and fearless administration; but experience has shown that its effectiveness can be strengthened and its real objects better attained by such amendments as will give to the federal government greater supervision and control over and secure greater publicity in, the management of that class of corporations engaged in interstate commerce having power and opportunity to effect monopolies."

**FAVORS RAILROAD POOLING.**—"We approve the enactment of the railroad rate law and the vigorous enforcement by the present administration of the statutes against rebates and discriminations, as a result of which the advantages formerly possessed by the large shipper over the small shipper have substantially disappeared, and in this connection we commend the appropriation by the present Congress to enable the interstate commerce commission to thoroughly investigate and give publicity to the accounts of interstate railroads. We believe, however, that the interstate commerce law should be further amended, so as to give railroads the right to make and publish traffic agreements, subject to the approval of the commission, but maintaining always the principle of competition between naturally competing lines and avoiding the common control of such lines by any means whatsoever. We favor such national legislation and supervision as will prevent the future over-issue of stocks and bonds by interstate carriers."

**DECLARES FOR LIABILITY LAW.**—"The enactment in constitutional form at the present session of Congress of the employers' liability law; the passage and enforcement of the safety appliance statutes; as well as the additional protection secured for engineers and firemen; the reduction in the hours of labor of trainmen and railroad telegraphers; the successful exercise of the powers of mediation and arbitration between interstate railroads and their employes, and the law making a beginning in the policy of compensation for injured employes of the government are among the most commendable accomplishments of the present administration. But there is further work in this direction yet to be done, and the Republican party pledges its continued devotion to every

cause that makes for safety and the betterment of conditions among those whose labor contributes so much to the progress and welfare of the country.

"The same wise policy which has induced the Republican party to maintain protection to American labor; to establish an eight hour day on the construction of all public works; to increase the list of employes who shall have preferred claims for wages under the bankruptcy laws; to adopt a child labor statute for the District of Columbia; to direct an investigation into the condition of working women and children, and later of employes of telephone and telegraph companies engaged in interstate business; to appropriate \$150,000 at the recent session of Congress in order to secure a thorough inquiry into the causes of catastrophes and loss of life in the mines; and to amend and strengthen the law prohibiting the importation of contract labor, will be pursued in every legitimate direction within federal authority to lighten the burdens and increase the opportunity for happiness and advancement of all who toil. The Republican party recognizes the special needs of wage workers generally, for their well being means the well being of all. But more important than all other considerations is that of good citizenship, and we especially stand for the needs of every American, whatever his occupation, in his capacity as a self-respecting citizen."

**ON FEDERAL INJUNCTIONS.**—"The Republican party will uphold at all times the authority and integrity of the courts, state and federal, and will ever insist that their powers to enforce their process and to protect life, liberty and property shall be preserved inviolate. We believe, however, that the rules of procedure in the federal courts with respect to the issuance of the writ of injunction should be more accurately defined by statute and than no injunction or temporary restraining order should be issued without notice, except where irreparable injury would result from delay, in which case a speedy hearing thereafter should be granted."

**PAYS TRIBUTE TO FARMER.**—"Among those whose welfare is as vital to the welfare of the whole country as is that of the wage earner, is the American farmer. The prosperity of the country rests peculiarly upon the prosperity of agriculture. The Republican party during the last twelve years has accomplished extraordinary work in bringing the resources of the national government to the aid of the farmer, not only in advancing agriculture itself, but in increasing the conveniences of rural life. Free rural mail delivery has been established; it now reaches millions of our citizens, and we favor its extension until every community in the land receives the full benefit of the postal service. We recognize the social and economic advantages of good country roads, maintained more and more largely at public expense, and less and less at the expense of the abutting owner. In this work we commend the growing practice of state aid, and we approve the efforts of the national agricultural department by experiments and otherwise to make clear to the public the best methods of road construction."

**EQUAL JUSTICE FOR ALL.**—"The Republican party has been for more than fifty years the consistent friend of the American negro. It gave him freedom and citizenship. It wrote into the organic law the declarations that proclaim his civil and political rights, and it believes today that his noteworthy progress in intelligence, industry, and good citizenship has earned the respect and encouragement of the nation. We demand equal justice for all men, without regard to race or color; we declare once more, and without reservation, for the enforcement in letter and spirit of the thirteenth, fourteenth, and fifteenth amendments to the constitution, which were designed for the protection and advancement of the negro, and we condemn all devices that have for their real aim his disfranchisement for reasons of color alone, as unfair, un-American, and repugnant to the supreme law of the land."

**RESOURCES AND WATERWAYS.**—"We indorse the movement inaugurated by the administration for the conservation of natural resources; we approve all measures to prevent the waste of timber; we commend the work now going on for the reclamation of arid lands, and reaffirm the Republican policy of the free distribution of the available areas of the public domain to the landless settler. No obligation of the future is more insistent and none will result in greater blessings to posterity. In line with this splendid undertaking is the further duty, equally imperative, to enter upon a systematic improvement upon a large and comprehensive plan, just to all portions of the country, of the water ways, harbors, and great lakes, whose natural adaptability to the increasing traffic of the land is one of the greatest gifts of a benign Providence."

**ARMY AND NAVY.**—"The Sixtieth Congress passed many commendable acts increasing the efficiency of the army and navy; making the militia of the states an inte-



gral part of the national establishment; authorizing joint maneuvers of army and militia fortifying new naval bases and completing the construction of coaling stations; instituting a female nurse corps for naval hospitals and ships and adding two new battleships, ten torpedo-boat destroyers, three steam colliers, and eight submarines to the strength of the navy. Although at peace with all the world and secure in the consciousness that the American people do not desire and will not provoke a war with any other country, we nevertheless declare our unalterable devotion to a policy that will keep this republic ready at all times to defend her traditional doctrines and assure her appropriate part in promoting permanent tranquility among the nations.

"We commend the vigorous efforts made by the administration to protect American citizens in foreign lands, and pledge ourselves to insist upon the just and equal protection of all our citizens abroad. It is the unquestioned duty of the government to procure for all our citizens, without distinction, the rights of travel and sojourn in friendly countries, and we declare ourselves in favor of all proper efforts tending to that end."

**GROWTH OF FOREIGN COMMERCE.**—"Under the administration of the Republican party the foreign commerce of the United States has experienced a remarkable growth until it has a present annual valuation of approximately \$3,000,000,000 and gives employment to a vast amount of labor and capital which would otherwise be idle. It has inaugurated through the recent visit of the Secretary of State to South America and Mexico, a new era of pan-American commerce and comity which is bringing us into closer touch with our twenty sister American republics, having a common industrial heritage, a republican form of government, and offering us a limitless field of legitimate commercial expansion.

"The conspicuous contributions of American statesmanship to the great cause of international peace, so signally advanced in The Hague conferences, are an occasion for just pride and gratification. At the last session of the Senate of the United States eleven Hague conventions were ratified, establishing the rights of neutrals, laws of war on land, restriction of contractual debts, governing the opening of hostilities, extending the application of Geneva principles, and in many ways lessening the evils of war and promoting the peaceful settlement of international controversies. At the same session twelve arbitration conventions with great nations were confirmed, and extradition, boundary, and neutralization treaties of supreme importance were ratified. We indorse such achievements as the highest duty a people can perform and proclaim the obligation of further strengthening the bonds of friendship and good will with all the nations of the world."

**WOULD ENCOURAGE SHIPPING.**—"We adhere to the Republican doctrine of encouragement to American shipping and urge such legislation as will revive the merchant marine prestige of the country, so essential to national defense, the enlargement of foreign trade and the industrial prosperity of our own people."

**PENSIONS FOR VETERANS.**—"Another Republican policy which must be ever maintained is that of generous provision for those who have fought the country's battles and for the widows and orphans of those who have fallen. We commend the increase in the widow's pensions made by the present Congress and declare for liberal administration of all pension laws, to the end that the people's gratitude may grow deeper as the memories of heroic sacrifice grow more sacred with the passing years."

**CIVIL SERVICE INDORSED.**—"We reaffirm our former declarations that the civil service laws enacted, extended, and enforced by the Republican party shall continue to be maintained and obeyed."

"We commend the efforts designed to secure greater efficiency in national public health agencies and favor such legislation as will effect this purpose.

"In the interest of the great mineral industries of our country we earnestly favor the establishment of a bureau of mines and mining."

**CUBA, PHILIPPINES, AND PANAMA.**—"The American government, in Republican hands, has freed Cuba, given peace and protection to Porto Rico and the Philippines under our flag, and begun construction of the Panama canal. The present conditions in Cuba vindicate the wisdom of maintaining between that republic and this imperishable bonds of mutual interest, and the hope is now expressed that the Cuban people will soon be ready to assume complete sovereignty over their land.

"In Porto Rico the government of the United States is meeting loyal and patriotic support; order and prosperity prevail and the well-being of the people is in every respect promoted and conserved.

"We believe that the native inhabitants of Porto Rico should be at once collectively made citizens of the United States and that all others properly qualified under existing laws residing in said island should have the privilege of becoming naturalized.

"In the Philippines insurrection has been suppressed, law established, and life and property made secure. Education and practical experience are there advancing the capacity of the people for government, and the policies of McKinley and Roosevelt are leading the inhabitants step by step to an ever increasing measure of home rule."

**PANAMA ROUTE APPROVED.**—"Time has justified the selection of the Panama route for the great isthmian canal and events have shown the wisdom of securing authority over the zone through which it is to be built. The work is now progressing with a rapidity far beyond expectation, and already the realization of the hopes of centuries has come within the vision of the near future.

"We favor the immediate admission of the territories of New Mexico and Arizona as separate states in the Union.

"Feb. 12, 1909, will be the 100th anniversary of the birth of Abraham Lincoln, an immortal spirit whose fame has brightened with the receding years and whose name stands among the first of those given to the world by the great republic. We recommend that this centennial anniversary be celebrated throughout the confines of the nation, by all the people thereof; and, especially by the public schools, as an exercise to stir the patriotism of the youth of the land."

**DEMOCRATS ARE CRITICISED.**—"We call the attention of the American people to the fact that none of the great measures here advocated by the Republican party could be enacted and none of the steps forward here proposed could be taken under a Democratic administration or under one in which party responsibility is divided. The continuance of present policies, therefore, absolutely requires the continuance in power of that party which believes in them and which possesses the capacity to put them into operation.

"Beyond all platform declarations there are fundamental differences between the Republican party and its chief opponent which make the one worthy and the other unworthy of public trust.

"In history the difference between Democracy and Republicanism is that the one stood for debased currency, the other for honest currency; the one for free silver, the other for sound money; the one for free trade, the other for protection; the one for the contraction of American influence, the other for its expansion; the one has been forced to abandon every position taken on the great issues before the people, the other has held and vindicated all.

"In experience the difference between Democracy and Republicanism is that one means adversity, while the other means prosperity; one means low wages, the other means high; one means doubt and debt, the other means confidence and thrift.

"In principle the difference between Democracy and Republicanism is that one stands for vacillation and timidity in government, the other for strength and purpose; one stands for obstruction, the other for construction; one promises, the other performs; one finds fault, the other finds work."

**TENDENCY TOWARD SOCIALISM.**—"The present tendencies of the two parties are even more marked by inherent differences. The trend of Democracy is toward socialism while the Republican party stands for a wise and regulated individualism. Socialism would destroy wealth. Republicanism would prevent its abuse. Socialism would give to each an equal right to take. Socialism would offer an equality of possession which would soon leave no one anything to possess; Republicanism would give equality of opportunity which would assure to each his share of a constantly increasing sum of possessions. In line with this tendency, the Democratic party of today believes in government ownership, while the Republican party believes in government regulation. Ultimately, Democracy would have the nation own the people, while Republicanism would have the people own the nation.

"Upon this platform of principles and purposes, reaffirming our adherence to every Republican doctrine proclaimed since the birth of the party, we go before the country, asking the support not only of those who have acted with us heretofore, but of all our fellow citizens, who, regardless of past political differences, unite in the desire to maintain the policies, perpetuate the blessings and make secure the achievements of a greater America."



## CHAPTER IV

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### THE DEMOCRATIC CONVENTION

Without a shadow of doubt the most enthusiastic Convention of the Democratic party that ever met in its history was that which met in Denver, Colo. on Tuesday morning July 7th, 1908. The Convention was especially noticeable for two things: first the power Mr. Bryan and his adherents held over it, and secondly for the undisputed sway with which Mr. Bryan controlled its work. It was a complete reversal of the conditions which obtained at the National Convention of 1904 in St. Louis, when the friends of Mr. Bryan were in the minority, and it was an impossibility for the nominee of the party today to gain any consideration.

It was apparent before the Convention was called into session that Mr. Bryan would be the nominee. While there were other candidates for the nomination, none of them succeeded in gaining any considerable strength. There were a few contests, the most important being that of Pennsylvania and of Illinois, both of which were decided in favor of the regular delegation. In the case of Pennsylvania however, the minority succeeded in carrying their fight on to the floor of the Convention where the action of the Committee on Credentials was overruled and the contesting delegates seated. This was owing to the known antipathy of Mr. Bryan to Colonel Guffey, Chairman of the Pennsylvania Committee who Mr. Bryan had denounced before the Convention met for his affiliation with the corporations. In the case of the Illinois delegation, however, there was no attempt to override the action of the Committee on Credentials, despite the fact that the contestants were led by Robert E. Burke, of Chicago, and there was some doubt of the sincerity and good faith of the regular delegation.

The Convention met in the New Auditorium, which had been erected especially for this occasion, and which signaled the farthest west Convention that the party had ever had. The Convention was called to order by National Chairman Thomas Taggart who said in his introductory remarks:

“As Chairman of the Democratic National Committee, it becomes my pleasing duty to call this Convention to order and in so doing, I cannot refrain from the suggestion, that in numbers, in the personnel of the delegates, in enthusiasm, and in



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A NATION'S PRIDE AND A NATION'S WEALTH





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**KEY TO GOVERNOR'S GROUP PHOTOGRAPH TAKEN AT THE WHITE HOUSE, WASHINGTON,  
MAY 13, 1908.**

**First Row Seated, Left to Right:**—Governor Harris of Ohio, Governor Hughes of New York, Governor Davidson of Wisconsin, Andrew Carnegie, William Jennings Bryan, James J. Hill, John Mitchell, President Roosevelt, Vice-President Fairbanks.

**Second Row Standing, Left to Right:**—Governor Post of Porto Rico, Governor Proctor of Vermont, Governor Fort of New Jersey, Governor Blanchard of Louisiana, Governor Burke of North Dakota, Governor Folk of Missouri, Governor Norris of Montana, Governor Hoch of Kansas, Governor Woodruff of Connecticut, Governor Higgins of Rhode Island.

**Third Row Standing, Left to Right:**— (immediately behind second row) General Mackenzie, Chief of Engineers, Congressman Burton of Ohio, (Congressman Burton nominated Mr. Taft for President on the Republican ticket), Senator Bankhead, Dr. Magee, Dep't of Agriculture, Governor Kibbey of Arizona, Governor Ansel of South Carolina, Governor Cutler of Utah, Governor Lea of Delaware, Governor Dawson of West Virginia, Governor Floyd of New Hampshire, Governor Willson of Kentucky. (Those behind Governor Willson in the doorway are spectators).

**Fourth Row Standing, Left to Right:**—Mr. Shipp, Secretary of the Conference, Gifford Pinchot, Chief Bureau of Forestry, Herbert Knox Smith, F. H. Newell, Chief U. S. Reclamation Service, Henry T. Clarke, Thomas Spence.



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**KEY TO GOVERNOR'S GROUP PHOTOGRAPH TAKEN AT THE WHITE HOUSE, WASHINGTON,  
MAY 13, 1908.**

**First Row Seated, Left to Right:**—Mr. Justice Harlan, Mr. Justice Brewer, Mr. Justice White, Mr. Justice McKenna, Mr. Justice Holmes, Mr. Justice Day, Mr. Justice Moody (of the United States Supreme Court); Mr. Cortelyou, Secretary of the Treasury, Mr. Bonaparte, Attorney-General.

**Second Row Standing, Left to Right:**—Governor Glenn of North Carolina, Governor Deneen of Illinois, Governor Warner of Michigan, Governor Hanly of Indiana, Governor Comer of Alabama, Governor Brooks of Wyoming, Governor Buchtel of Colorado, Governor Gooding of Idaho, Governor Noel of Mississippi, Governor Hoggatt of Alaska.

**Third Row Standing, Left to Right:**—(Immediately behind second row) Governor Swanson of Virginia, Governor Crawford of South Dakota, Governor Stewart of Pennsylvania, Ex-Governor Hill of Maine, Governor Froar of Hawaii. (Following this row are White House Attachés.)

**Fourth Row Standing, Left to Right:**—Governor Currey of New Mexico, Governor Johnson of Minnesota.





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**ROBERT M. LA FOLLETTE**  
**U. S. SENATOR FROM WISCONSIN**



JOHN A. JOHNSON



From a photograph, copyright, 1901 by J. E. Purdy, Boston.

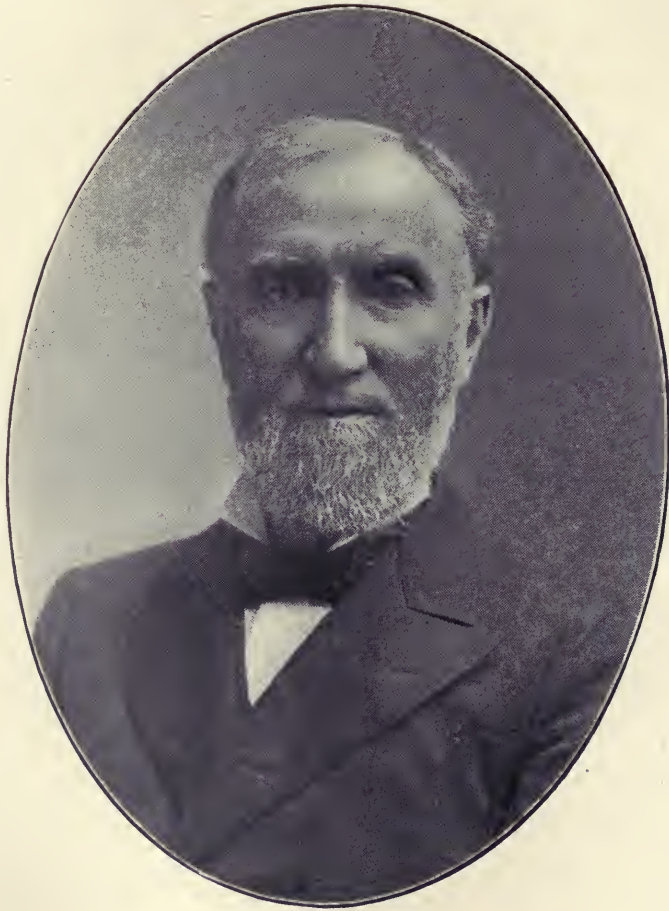
## AUGUSTUS PEABODY GARDNER

A noted congressman from Massachusetts who has gained an enviable reputation by his excellent work in congress. He was born November 5, 1865; graduated from Harvard College in 1886; was a member of the Massachusetts State Senate for two terms; served during the Spanish-American war; was elected to the Fifty-seventh Congress to fill the vacancy caused by the resignation of Hon. W. H. Moody, to the Fifty-eighth and Fifty-ninth Congresses, and re-elected to the Sixtieth Congress.



CHARLES E. HUGHES





JOSEPH G. CANNON  
SPEAKER OF THE HOUSE OF REPRESENTATIVES



HON. GEORGE GRAY.

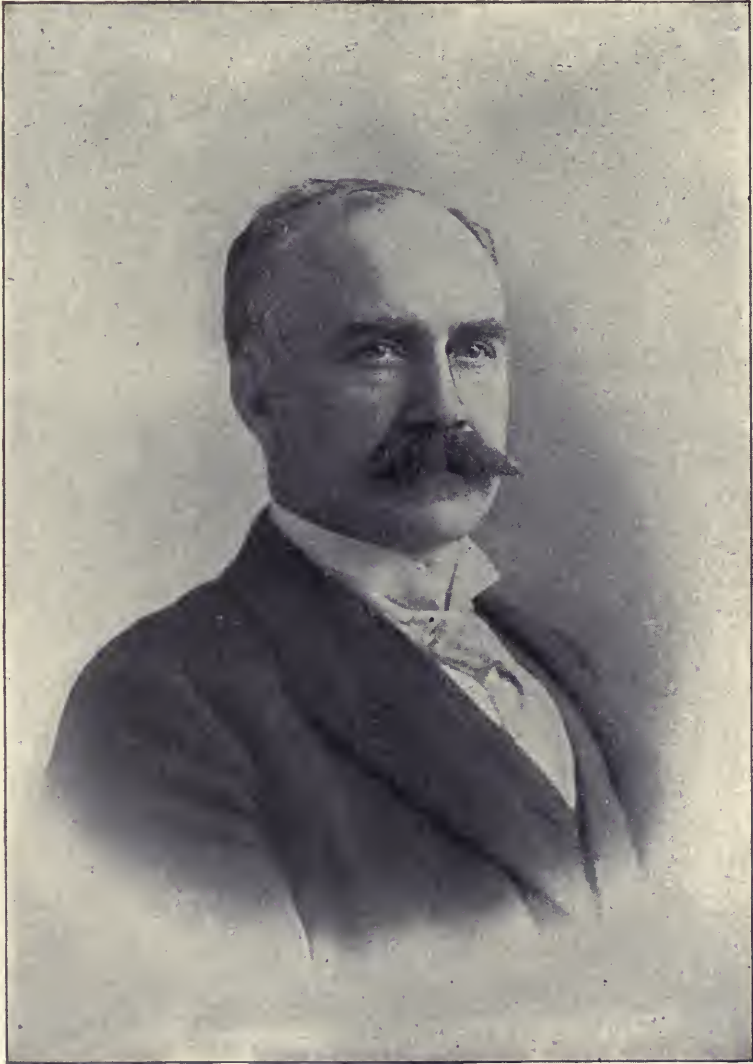


**BENJAMIN RYAN TILLMAN**  
**UNITED STATES SENATOR FROM SOUTH CAROLINA**



CHARLES W. FAIRBANKS





JUDSON HARMON



HON. JOHN S. WILLIAMS.







**"GREED AND LABOR" OR "MONEY AND MUSCLE."**

The one theme of poets and songsters since the world began has been the subject of labor. And why not? It is labor that produces the wealth of every community—and greed takes from this producing force of brawn and muscle the richer benefits. It is admitted by all thoughtful people that in the natural course of events there must be financiers, but they are only made possible by the help of labor, assisted by its truest friend, nature. Our photograph is of a painting by Mr. G. F. Watts, an artist of world-wide reputation, and is remarkable from the fact that it was painted in his eighty-fourth year.





**CHICAGO'S FINANCIAL CENTER.**

La Salle street is to Chicago what Wall street is to New York, or Throckmorton street is to London. Here are great banking institutions—the homes of insurance companies—the Stock Exchange, and at the south end of the street, the Board of Trade. Here also is the Willard Temple, erected by the Woman's Christian Temperance Union, and the Young Men's Christian Association Building.

the determination of victory, it is the greatest political convention ever assembled in the United States.

"It is certainly appropriate that such a Convention should meet in this great western city, whose citizens have shown their generous hospitality on every hand, and whose enterprising energy is attested by the erection of this magnificent Auditorium.

"In this connection I desire to express the thanks of the members of the National Committee to the people of Denver, and especially to the members of the Denver Convention League, whose unselfish and untiring work has contributed so much to the successful and happy opening of the campaign of 1908."

After Mr. Taggart's address the Roman Catholic Bishop of Wyoming, James J. Keane, offered prayer and Chairman Taggart appointed Governor Blanchard of Louisiana, Lieutenant Governor Ellison of Virginia, and Congressman James of Kentucky, as a committee of three to escort Temporary Chairman Bell of California to the speaker's rostrum. He then introduced Mr. Bell to the Convention as its Temporary Chairman. Mr. Bell's address reviewed the issues of the campaign, was scathing in its criticism of the declarations of the Republican Platform, and on the subject of the Anti-Injunction plank declared, "Whatever we do on this subject must be done firmly, frankly and unequivocally," and this was in turn intensified when he asserted that the injunction must not be turned into "an instrument of tyranny."

At the conclusion of Mr. Bell's address which had been warmly received and loudly cheered at the salient points, the roll of the States was called for membership on the various standing Committees of the Convention.

The New York Delegation had selected Alton B. Parker to present to the Convention resolutions on the memory of Grover Cleveland, recently deceased. Judge Parker arose to present these resolutions which were eulogistic of the work of Mr. Cleveland while President, but the Chairman failed to recognize Mr. Parker and instead recognized Ignatius J. Dunn of Omaha, who had also prepared resolutions regarding Mr. Cleveland, which were more satisfactory to Mr. Bryan than those of Judge Parker. The Convention accepted the resolutions as offered by Mr. Dunn although Judge Parker was allowed to read the resolutions he had prepared. David R. Francis of Missouri who had been a cabinet officer under Mr. Cleveland, also sought to instill into the Convention a measure of enthusiasm for the man who had been for so many years the head and front of Democracy, but without avail. The Convention then adjourned until Wednesday out of respect to Mr. Cleveland's memory, and the Committee on Credentials then began an all night task.

When the Convention met on Wednesday morning July 8th the principal committees were not ready to report, but this gave the opportunity for the explosion of long pent up Bryan enthusiasm which took the signal from Senator Gore's eloquent reference to the Nebraska leader and burst into a whirlwind of enthusiastic tribute, which lasted one hour and nineteen minutes. It was a decisive exhibition of the overmastering strength of the Bryan column and one of the most dramatic Convention pictures ever presented, as the standards of the States were torn from their moorings and borne through the hall until they stood together like an army of banners proclaiming their united allegiance to Bryan. Amid this storm of Bryan demonstration the standards of New York, New Jersey Delaware, Georgia, Minnesota and Connecticut stood rooted in their places, the rallying points of little groups unmoved by the frenzied scenes about them.

It was 12:20 o'clock when Chairman Bell called the Convention to order, after which prayer was offered by the Reverend Christian F. Reisner, of Denver, after which the Chair recognized Senator Thomas F. Grady of New York, Chairman of the Committee on Rules, who presented his report which called for the rules of the Democratic Convention of 1904 to be those in force at this Convention. The report was adopted unanimously.

The Chair then recognized Mr. W. H. Martin of Arkansas who presented on behalf of the National Committee the resolution of regret and tribute to the late James K. Jones, former Chairman of the Committee. The resolution was adopted by a rising vote. Senator Gore of Oklahoma was then recognized by the Chair and made the address which caused a spasm of delight among the delegates. He declared that his State—Oklahoma, was the most Democratic State in the union, and then said:

"The President of the United States has said that his opinion of our constitution is unfit for publication. That is true of many of the opinions of the President of the United States.

Fellow Democrats: The great Secretary of War came to Oklahoma and waged war against our constitution. He asked us to give up our rights of liberty and self government, but by a vote of thousands upon thousands we rejected the advice of Taft and accepted the advice of Bryan."

The mention of the name brought the Convention to its feet in the first real Bryan demonstration.

The report of the Committee on Credentials was then presented which resulted in the ousting of Colonel James M. Guffey of Pennsylvania and the seating of the contestants. Another contest was in Idaho, where the Mormon faction was put to rout. There was a majority and a minority report from the Credentials Committee,



and this led to an extended argument, but on the final vote as to the adoption of the majority report the vote stood 615 in favor of the majority to 387 for the minority. The Convention then adjourned until Thursday, at 11:00 o'clock.

When the Convention met on Thursday morning at 11:00 o'clock, Permanent Chairman Clayton of Georgia was introduced and made his speech which was a sonorous presentation of party aspirations and a severe arraignment of President Roosevelt. After brief speeches by Raymond Robins of Chicago, and Martin W. Littleton of New York, who nominated Parker at St. Louis in 1904, the clerk read the list of the new National Committee with James W. Guffey's name stricken from the roll and that of James W. Kerr substituted. A recess was then taken until 7:00 o'clock in the evening. At that time, the Committee on platform not being yet ready to report, the nomination of candidates for President was taken up, and the Secretary called the roll of states for nominations. Alabama was the first state called, and yielded to Nebraska, when I. J. Dunn of Omaha presented the name of William J. Bryan, the mention of whose name again caused a pandemonium of applause. The nomination of Mr. Bryan was seconded by Ex-Senator Gearin of Oregon, by Governor Swanson of Virginia, and by Ex-Congressman Williams of Illinois.

When Connecticut was reached that state gave way to Minnesota, and Winfield S. Hammond of the latter state placed in nomination Governor John A. Johnson of Minnesota. Delaware presented the name of George Gray of that State the nominating speech being made by L. Irving Handy. This closed the nominations and at 3:45 A.M. Friday morning, Mr. Bryan was declared the nominee, the vote standing Bryan 893½, Grey 59½, Johnson 46. The nomination was then made unanimous on motions of both Minnesota and Delaware and the Convention then adjourned.

When the Convention met Saturday morning, Thomas R. Marshall of Indiana placed the name of John W. Kern in nomination for the Vice-Presidency. Governor Thomas of Colorado nominated Chas. A. Towne of New York. J. J. Walsh of Connecticut nominated Archibald McNeill of Bridgeport, Conn, L. I. Hill of Georgia nominated Clark Howell of Atlanta. Mr. Howell of Georgia then directed the withdrawal of his name. Connecticut withdrew the name of Mr. McNeill, and at 4:14 P. M. Mr. Kern was nominated by acclamation.



## CHAPTER V

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### THE DEMOCRATIC PLATFORM

The Democratic platform adopted at Denver reflects the well-known views of Mr. Bryan on all public topics, and was constructed under his immediate supervision. It denounces graft and political corruption, for which it lays the blame at the door of predatory wealth. It declares that the government is in the grip of the favor seeking corporations, and pledges the party if triumphant at the polls to divorce the two, giving the power to rule to the people to whom it belongs. On labor and the use of the injunction it practically gives Mr. Gompers what he sought in vain to get from the Republicans, and while upholding the integrity of the courts declares "that injunctions should not be issued in any cases in which injunctions would not issue if no industrial dispute were involved." It declares for an eight hour day on all government work, for a general employers' liability act covering injury to body or loss of life of employes. It also favors the creation of a department of labor with a seat in the President's cabinet. It heartily favors the principle of home rule as applied in the various states, and denounces any attempt at usurpation by the Federal Government. On the subject of tariff revision it declares that the people cannot safely intrust this to the Republican party, the latter being under too many obligations to the protected interests. It favors an emergency currency to be issued and controlled by the National Government, and that the National Banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent National bank. In case this cannot be secured it favors the establishment of postal savings banks.

On the subject of railroad regulation the platform favors an enlargement of the powers of the Interstate Commerce Commission so that the latter, whenever necessary, may compel the railroads to perform their duty as common carriers without discrimination or extortion. It would also give the Commission complete control over the question of rates. The enormous appropriations by Congress are characterized as "a needless waste of the people's money," and demands that greater economy be exercised in the conduct of the Government. It demands a reform in Congress by which the Speaker of the House shall be shorn of his arbitrary powers,

whereby the House of Representatives may again become a deliberative body. It favors a law placing the telegraph and telephone companies doing interstate business under the control of the Interstate Commerce Commission. It favors liberal improvement of every waterway in the Union. It condemns President Roosevelt for his use of patronage to secure the nomination of Mr. Taft, condemns the Philippine policy, favors a declaration of the Nation's ultimate intention to recognize the independence of the islands as soon as a stable government can be established there, and favors a navy sufficient to defend the coasts of this country. It denounces the Republican party for the enormous increase in new offices with the attendant expense to the people, declares in favor of an income tax, and the election of Senators by direct vote of the people. Federal legislation is demanded to prevent the contributions of corporations to political parties, and that the names of all persons contributing to political parties shall be published. The conservation of natural resources, denunciation of monopolies, the speedy completion of the Panama Canal and the upbuilding of the American merchant marine are the concluding portions of the platform. The platform in full is as follows:

**PREAMBLE.**—"We, the representatives of the Democracy of the United States in national convention assembled, reaffirm our belief in, and pledge our loyalty to, the principals of the party.

"We rejoice at the increasing signs of an awakening throughout the country. The various investigations have traced graft and political corruption to the representatives of predatory wealth, and laid bare the unscrupulous methods by which they have debauched elections and preyed upon a defenseless public through the subservient officials whom they have raised to place and power.

"The conscience of the nation is now aroused to free the government from the grip of those who have made it a business asset of the favor seeking corporations; it must become again a people's government, and be administered in all its departments according to the Jeffersonian maxim of 'equal rights to all and special privileges to none.'

"'Shall the people rule?' is the overshadowing issue which manifests itself in all the questions now under discussion."

**LABOR AND INJUNCTIONS.**—"The courts of justice are the bulwark of our liberties and we yield to none in our purpose to maintain their dignity. Our party has given to the bench a long line of distinguished judges, who have added to the respect and confidence in which this department must be jealously maintained.

"We resent the attempt of the Republican party to raise false issues respecting the judiciary. It is an unjust reflection upon a great body of our citizens to assume that they lack respect for the courts.

"It is the function of the courts to interpret the laws which the people create, and if the laws appear to work economical, social, or political injustice, it is our duty to change them. The only basis upon which the integrity of our courts can stand is that of unswerving justice and protection of life, personal liberty, and property. If judicial processes may be abused, we should guard them against abuse.

"Experience has proven the necessity of a modification of the present law relating to injunctions, and we reiterate the pledge of our national platforms of 1896 and 1904 in favor of the measure which passed the United States Senate in 1896, but which a Republican Congress has ever since refused to enact, relating to contempts in federal courts and providing for trial by jury in cases of indirect contempt.

"Questions of judicial practice have arisen especially in connection with industrial disputes. We deem that the parties to all judicial proceedings should be treated with rigid impartiality, and that injunctions should not be issued in any cases in which injunctions would not issue if no industrial dispute were involved.

"The expanding organization of industry makes it essential that there should be no abridgment of the right of wage earners and producers to organize for the protection of wages and the improvement of labor conditions to the end that such labor organizations and their members should not be regarded as illegal combinations in restraint of trade.

"We favor the eight hour day on all government work.

"We pledge the Democratic party to the enactment of a law by Congress, as far as the federal jurisdiction extends, for a general employers' liability act covering injury to body or loss of life of employes.

"We pledge the Democratic party to the enactment of a law creating a department of labor, represented separately in the President's Cabinet, which department shall include the subject of mines and mining."

**HOME RULE.**—"We assert our confidence in and admiration for the wisdom of the fathers in so organizing the federal government as to secure home rule to the people of each state, and we pledge ourselves to combat with unceasing vigilance the efforts of those who are striving by usurpation to seize the powers of the people of the states for exploitation by the federal government.

"Believing, with Jefferson, in 'the support of the state governments in all their rights as the most competent administration for our domestic concerns, and the surest bulwark against anti-republican tendencies,' and in 'the preservation of the general government in its whole constitutional vigor, as the sheet anchor of our peace at home and safety abroad,' we are opposed to the centralization implied in the suggestions, now frequently made, that the powers of the general government should be extended by executive and legislative action and by judicial construction. There is no twilight zone between the nation and the state in which exploiting interests can take refuge from both, and it is as necessary that the federal government shall exercise the powers delegated to it as it is that the state governments shall use the authority reserved to them, but we insist that the federal remedies for the regulation of interstate commerce and for the prevention of private monopoly shall be added to, not substituted for, state remedies."

**TARIFF.**—"We welcome the belated promise of tariff reform now affected by the Republican party in tardy recognition of the righteousness of the Democratic position on this question, but the people cannot safely intrust the execution of this important work to a party which is so deeply obligated to the highly protected interests as is the Republican party.

"We call attention to the significant fact that the promised relief was postponed until after the coming election—an election to succeed in which the Republican party must have that same support from the beneficiaries of the high protective tariff as it has always heretofore received from them, and to the further fact that during years of uninterrupted power no action whatever has been taken by the Republican Congress to correct the admittedly existing tariff iniquities.

"We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list, and material reductions should be made in the tariff upon the necessities of life, especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home, and graduate reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

"Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and of paper, thus imposing a tax upon the spread of knowledge.

"We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber, and logs, and that these articles be placed upon the free list."

**BANKING.**—"The panic of 1907, coming without any legitimate excuse, when the Republican party had for a decade been in complete control of the federal government, furnishes additional proof that it is either unwilling or incompetent to protect the interests of the general public.

"It has so linked the country to Wall street that the sins of the speculators are visited upon the whole people. While refusing to rescue the wealth producers from spoliation at the hands of the stock gamblers and speculators in farm products, it has deposited treasury funds, without interest and without competition, in favorite banks. It has used an emergency for which it is largely responsible to force through Congress a



bill changing the basis of bank currency and inviting market manipulation, and has failed to give to the 15,000,000 depositors of the country protection in their savings.

"We believe that in so far as the needs of commerce require an emergency currency, such currency should be issued, controlled by the federal government, and loaned on adequate security to national and state banks. We pledge ourselves to legislation under which the national banks shall be required to establish a guarantee fund for the prompt payment of the depositors of any insolvent national bank, under an equitable system which shall be available to all state banking institutions wishing to use it.

"We favor a postal savings bank if the guaranteed bank cannot be secured, and that it be constituted so as to keep the deposit of money in the communities where it is established. But we condemn the policy of the Republican party in providing postal savings banks under a plan of conduct by which they will segregate the deposits of rural communities and redeposit the same while under government charge in the banks of Wall street, thus depleting the circulating medium of the producing regions and unjustly favoring the speculative markets."

**RAILROAD REGULATION.**—"We assert the right of Congress to exercise complete control over interstate commerce, and the right of each state to exercise like control over commerce within its borders. We demand such enlargement of the powers of the interstate commerce commission as may be necessary to compel railroads to perform their duties as common carriers and prevent discrimination and extortion.

"We favor the efficient supervision and rate regulation of railroads engaged in interstate commerce, and to this end we recommend the valuation of railroads by the interstate commerce commission, such valuation to take into consideration the physical value of the property, the original cost of reproduction, and all elements of value that will render the valuation made fair and just.

"We favor such legislation as will prohibit the railroads from engaging in business which brings them into competition with their shippers, also legislation which will assure such reduction in transportation rates as conditions will permit, care being taken to avoid reductions that would compel a reduction of wages, prevent adequate service, or do injustice to legitimate investments.

"We heartily approve the laws prohibiting the pass and the rebate, and we favor any further necessary legislation to restrain, control, and prevent such abuses.

"We favor such legislation as will increase the power of the interstate commerce commission, giving to it the initiative with reference to rates and transportation charges put into effect by the railroad companies, and permitting the interstate commerce commission on its own initiative to declare a rate illegal and as being more than should be charged for such service. The present law relating thereto is inadequate by reason of the fact that the interstate commerce commission is without power to fix or investigate a rate until complaint has been made to it by the shipper.

"We further declare that all agreements of traffic or other associations of railway agents affecting interstate rates, service, or classification shall be unlawful unless filed with and approved by the interstate commerce commission.

"We favor the enactment of a law giving to the interstate commerce commission the power to inspect proposed railroad tariff rates or schedules before they shall take effect, and if they be found to be unreasonable to initiate an adjustment thereof."

**ECONOMY IN ADMINISTRATION.**—"The Republican Congress, in the session just ended, has made appropriations amounting to \$1,008,000,000, exceeding the total expenditures of the past fiscal year by \$90,000,000, and leaving a deficit of more than \$60,000,000 for the fiscal year. We denounce the needless waste of the people's money which has resulted in this appalling increase as a shameful violation of all prudent conditions of government, as no less than a crime against the millions of working men and women from whose earnings the great proportion of these colossal sums must be extorted through excessive tariff exactions and other indirect methods.

"It is not surprising that, in the face of this shocking record, the Republican platform contains no reference to economical administration or promise thereof in the future. We demand that a stop be put to this frightful extravagance, and insist upon the strictest economy in every department compatible with frugal and efficient administration."

**POWER OF SPEAKER.**—"The House of Representatives was designed by the fathers of the constitution to be the popular branch of our government responsive to the public will.



"The House of Representatives, as controlled in recent years by the Republican party, has ceased to be a deliberative and legislative body, responsive to the will of a majority of its members, but has come under the absolute domination of the Speaker, who has entire control of its deliberations and powers of legislation.

"We have observed with amazement the popular branch of our federal government helpless to obtain either the consideration or enactment of measures desired by a majority of its members.

"Legislative government becomes a failure when one member, in the person of the Speaker, is more powerful than the entire body.

"We demand that the House of Representatives shall again become a deliberative body, controlled by a majority of the people's representatives, and not by the Speaker, and we pledge ourselves to adopt such rules and regulations to govern the House of Representatives as will enable a majority of its members to direct its deliberations and control legislation."

**TELEGRAPH AND TELEPHONE.**—"We pledge the Democratic party to the enactment of a law to regulate the rates and services of telegraph and telephone companies engaged in the transmission of messages between the states, under the jurisdiction of the interstate commerce commission."

**CIVIL SERVICE.**—"The laws pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than services rendered to a political party."

**WATERWAYS.**—"Water furnishes the cheapest means of transportation and the national government, having the control of navigable waters, should improve them to their fullest capacity. We earnestly favor the immediate adoption of a liberal and comprehensive plan for improving every water course in the Union which is justified by the needs of commerce, and, to secure that end, we favor, when practicable, the connection of the great lakes with the navigable rivers and with the gulf through the Mississippi river, and the navigable rivers with each other, and the rivers, bays, and sounds of our coasts with each other by artificial canals, with a view to perfecting a system of inland water ways to be navigated by vessels of standard draught.

"We favor the co-ordination of the various services of the government connected with water ways, in one service, for the purpose of aiding in the completion of such a system of inland water ways; and we favor the creation of a fund ample for continuous work, which shall be conducted under the direction of a commission of experts to be authorized by law."

**MISUSE OF PATRONAGE.**—"We condemn, as a violation of the spirit of our institutions, the action of the present chief executive in using the patronage of his high office to secure the nomination of one of his Cabinet officers. A forced succession in the Presidency is scarcely less repugnant to public sentiment than is life tenure in that office. No good intention on the part of the executive, and no virtue in the one selected, can justify the establishment of a dynasty. The right of the people to freely select their officials is inalienable and cannot be delegated."

**PHILIPPINES.**—"We condemn the experiment in imperialism as an inexcusable blunder which has involved us in an enormous expense, brought us weakness instead of strength, and laid our nation open to the charge of abandoning a fundamental doctrine of self-government.

"We favor an immediate declaration of the nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers. In recognizing the independence of the Philippines our government should retain such land as may be necessary for coaling stations and naval bases."

**THE NAVY.**—"The constitutional provision that a navy shall be provided and maintained means an adequate navy, and we believe that the interests of this country would be best served by having a navy sufficient to defend the coasts of this country and protect American citizens wherever their rights may be in jeopardy."

**OFFICEHOLDERS.**—"Coincident with the enormous increase in expenditures is a like addition to the number of officeholders. During the past year 23,784 were added, costing \$16,156,000 and in the past six years of the Republican administration the total number of new offices created, aside from many commissions, has been 99,319, entailing an additional expenditure of nearly \$70,000,000, as against only 10,279 new offices

created under the Cleveland and McKinley administrations, which involved an expenditure of only \$6,000,000.

"We denounce this great and growing increase in the number of officeholders as not only unnecessary and wasteful, but also as clearly indicating a deliberate purpose on the part of the administration to keep the Republican party in power at public expense by thus increasing the number of its retainers and dependents. Such procedure we declare to be no less dangerous and corrupt than the open purchase of votes at the polls."

**INCOME TAX.**—"We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the federal government."

**ELECTION OF SENATORS.**—"We favor the election of United States Senators by direct vote of the people, and regard this reform as the gateway to other national reforms."

**ALASKA AND PORTO RICO.**—"We demand for the people of Alaska and Porto Rico the full enjoyment of the rights and privileges of a territorial form of government. The officials appointed to administer the government of all our territories, and the District of Columbia, should be thoroughly qualified by previous bona fide residence."

**CAMPAIGN CONTRIBUTIONS.**—"We demand federal legislation forever terminating the partnership which has existed between corporations of the country and the Republican party under the expressed or implied agreement that in return for the contribution of great sums of money wherewith to purchase elections they should be allowed to continue substantially unmolested in their efforts to encroach upon the rights of the people.

"Any reasonable doubt as to the existence of this relation has been forever dispelled by the sworn testimony of witnesses examined in the insurance investigation in New York, and the open admission, unchallenged by the Republican national committee, of a single individual, that he himself at the personal request of the Republican candidate for the Presidency raised over \$250,000 to be used in a single state during the closing hours of the last campaign. In order that this practice shall be stopped for all time we demand the passing of a statute punishing with imprisonment any officer of a corporation who shall either contribute on behalf of, or consent to the contribution by a corporation of any money or thing of value to be used in furthering the election of a President or Vice President of the United States or any member of the Congress thereof.

"We denounce the action of the Republican party, having complete control of the federal government, for its failure to pass the bill, introduced in the last Congress, to compel the publication of names of contributors and the amounts contributed toward campaign funds, and point to the evidence of their insincerity when they sought by an absolutely irrelevant and impossible amendment to defeat the passage of the bill.

"As a farther evidence of their intention to conduct their campaign in the coming contest with vast sums of money wrested from the favor-seeking corporations, we call attention to the fact that the recent Republican national convention at Chicago refused, when the plank was presented to it, to declare against such practices.

"We pledge the Democratic party to the enactment of a law preventing any corporation contributing to a campaign fund, and any individual from contributing an amount above a reasonable minimum, and providing for the publication before election of all such contributions above a reasonable minimum."

**NATURAL RESOURCES.**—"We repeat the demand for internal development and for the conservation of our natural resources, contained in previous platforms, the enforcement of which Mr. Roosevelt has vainly sought from a reluctant party, and to that end we insist upon the preservation and replacement of needed forests, the preservation of the public domain for homeseekers, the protection of the national resources in timber, coal, iron, and oil against monopolistic control, the development of our water ways for navigation and every other useful purpose, including the irrigation of arid lands, the reclamation of swamp lands, the clarification of streams, the development of water-power, and the preservation of electric power generated by this natural force from the control of monopoly; and, to such end, we urge the exercise of all powers, national, state, and municipal, both separately and in co-operation.

"We insist upon a policy of administration of our forestry which shall relieve it of the abuses which have arisen thereunder, and which shall, as far as practicable, con-



form to the police regulations of the several states where they are located, which shall enable homesteaders as of right to occupy and acquire title to all portions thereof which are especially adapted to agriculture, and which shall furnish a system of timber sales available as well to private citizens as to the largest manufacturer and consumer."

**PROTECTION OF CITIZENS.**—"We pledge ourselves to insist upon the just and lawful protection of our citizens at home and abroad, and to use all proper methods to secure for them, whether native born or naturalized, and without distinction of race or creed, the equal protection of law and the enjoyment of all rights and privileges open to them under our treaty; and if, under existing treaties, the right of travel and sojourn is denied to American citizens, or recognition is withheld from American passports by any countries, on the ground of race or creed, we favor prompt negotiations with the governments of such countries to secure the removal of these unjust discriminations. We demand that all over the world a duly authenticated passport, issued by the government of the United States to an American citizen, shall be proof of the fact that he is an American citizen and shall entitle him to the treatment due him as such."

**TRUSTS.**—"A private monopoly is indefensible and intolerable. We therefore favor the vigorous enforcement of the criminal law against guilty trust magnates and officials, and demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

"Among the additional remedies we specify three: First, a law preventing a duplication of directors among competing corporations; second, a license system which will, without abridging the right of each state to create corporations, or its right to regulate as it will foreign corporations, doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a federal license before it shall be permitted to control as much as 25 per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than 50 per cent of the total amount of any product consumed in the United States, and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making due allowance for cost of transportation."

**PANAMA CANAL.**—"We believe the Panama canal will prove of great value to our country and favor its speedy completion."

**MERCHANT MARINE.**—"We believe in the upbuilding of the American merchant marine without new or additional burdens upon the people and without bounties from the public treasury."

**CONCLUSION.**—"The Democratic party stands for democracy; the Republican has drawn to itself all that is aristocratic and plutocratic. The Democratic party is the champion of civil rights and opportunities to all, the Republican party is the party of privilege and private monopoly. The Democratic party listens to the voice of the whole people and gauges progress by the prosperity and advancement of the average man; the Republican party is subservient to the comparatively few who are the beneficiaries of government favoritism. We invite the co-operation of all, regardless of previous political affiliation or past differences, who desire to preserve a government of the people, by the people and for the people, and who favor such an administration of the government as will insure, as far as human wisdom can, that each citizen shall draw from society a reward commensurate with his contribution to the welfare of society."

## CHAPTER VI.

### WILLIAM HOWARD TAFT

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William Howard Taft of Ohio, the Republican nominee for President of the United States, to succeed Theodore Roosevelt, is now in his 51st year, having been born in Cincinnati September 15, 1857. Mr. Taft comes of distinguished ancestry. His father, Alfonso Taft, was secretary of war in the cabinet of General Grant and later attorney general in the same President's second cabinet. It is a rare coincidence in American politics to find the son filling the same important position that his sire did, but this is not the only position that Mr. Taft has filled, (that of secretary of war in President Roosevelt's cabinet), as he also succeeded his father on the bench as judge of the superior court of Ohio on which his father had sat about twenty years before him. This, it may be remarked, is the only elective office that Mr. Taft has ever occupied in his life.

In Cincinnati, his home, Mr. Taft is generally referred to as "Bill" Taft, and to those familiar with American customs this in itself tells the story. As secretary of war in the cabinet of President Roosevelt he has been known as one of the President's most intimate friends and most trusted advisers. His opinion has not been restricted to that of the affairs of his own department, but has entered into that of all other departments of the American government and his varied abilities have been tested not only in this country but abroad, so that to-day he is one of the few American statesmen whose fame may be truly said to be of world-wide character.

Mr. Taft represents the seventh generation of Tafts in America, his forebears having come from England in 1669 and settled in Massachusetts. His grandfather, Judge Peter Rawson Taft, moved to Cincinnati in 1841, and from that time the Taft family has been conspicuous in the history of the city.

William Howard Taft's father was a leading jurist and diplomat, having served as a judge of the Superior court of Cincinnati, and after serving in two capacities in the second cabinet of Gen. Grant was then appointed minister to Austria, where he served two years and was then transferred to St. Petersburg.

The education of William Taft was gained in the public schools of Cincinnati from the high schools of which he graduated at the age of seventeen. He then



spent four years at Yale university, from which he finished second in his class, the famous class of 1878, after four years, taking the degree of bachelor of arts. He had even then achieved a reputation as a speaker and was chosen as class orator. After finishing his collegiate course he returned to Cincinnati and took up the study of law, being admitted to the bar in 1880. During the time of his study of law he also did some work on the newspapers of the city as a reporter.

His first political office was that of assistant prosecuting attorney of Hamilton County, which comprises the city of Cincinnati, to which he was appointed in January, 1881. He resigned this position in March, 1882, to become collector of internal revenue of the Federal Cincinnati district. He resigned the collectorship one year later in order to take up the practice of law, which he continued for four years and, in addition, from January, 1885, he held the appointive office of assistant county solicitor.

Governor Foraker in March, 1887, appointed Mr. Taft a judge of the superior court, a vacancy having been caused by the resignation of Judge Harmon, and in 1888 he came before the electors as a candidate for the same office and was elected for a term of five years.

In 1892 President Benjamin Harrison wanted a solicitor general of the United States, and his choice fell on Judge Taft, and the latter resigned his office in Cincinnati to enter the service of the United States government. While filling this office it became his duty to construe and enforce the Sherman Anti-Trust Act, and he also conducted the proceedings concerning the Behring Sea fisheries against Great Britain which he won, although opposed by the most eminent counsel that England could assign. His services as solicitor general, however, did not last much over a month, as he resigned the office to become United States Circuit Judge for the Sixth judicial circuit by appointment of President Harrison. In this connection it may be stated that he was called upon to decide many cases of the most important character and that all of his important decisions have been accepted by the higher courts and that a reversal of his opinion has been extremely rare. Many of these cases, in fact, have furnished precedents on which the decisions of courts since have been taken.

When the Philippine Commission was created under President McKinley in March, 1900, Mr. Taft resigned from the bench at the urgent solicitation of President McKinley and accepted the office of president of the Philippine Commission. On July 4, 1901, he became the first civil governor of the Philippine Islands, and here he had to bring a rebellious people into harmony with United States rule, to smooth down the asperity that had been created by the war, and to adjust many difficult questions that imperiled the sovereignty of the United States in the islands.

His course in the Philippines was such as to win for him the hearty esteem and affection of all classes. They trusted him implicitly. Among one of the difficult questions that he had to adjust was that relating to the valuable possessions of the religious orders of the Roman Catholic church in the islands, which had been acquired in the course of over two centuries. By order of President Roosevelt and Secretary of War Root he visited Rome in 1902, and after a conference with Pope Leo XIII, negotiated the purchase of the land of the religious orders on a basis entirely satisfactory to the church and to the United States. In the course of his travels through Europe he visited the principal courts of the continent and was everywhere received with the highest honors by the sovereigns and prime ministers of the various countries which he visited. In all Mr. Taft has made four trips to the Philippines.

Mr. Taft resigned the governorship of the Philippines in December, 1903, in order to accept the appointment of Secretary of War in President Roosevelt's second cabinet, assuming the duties of his office on February 1, 1904. Since that time he has been largely concerned in the regulations of affairs on the Isthmus of Panama, where he went in November, 1904, to discuss with the authorities of the Panama government questions relating to the government of the Canal Zone. In 1905 he revisited the Philippine Islands, being accompanied by distinguished parties of senators and representatives and many other distinguished guests, among whom was Miss Alice Roosevelt, the daughter of the president. In 1906 a revolution in Cuba caused the secretary of war to pay a visit to that island, during which he conferred with the leaders of the opposing factions and succeeded in re-establishing peace. For a while he acted as provisional governor of the island; later relinquishing this office to Governor Magoon. In March, 1907, Secretary Taft was directed to visit Panama, Cuba and Porto Rico, during which visit he straightened out local matters of great importance which fell under his immediate jurisdiction as secretary of war. In September of the same year he made a three months' trip which girdled the world, again visiting the Philippines for the purpose of participating in the opening of the first Philippine Congress. On his route homeward he was received with marked honors in Japan, Russia and Germany.

After his return from this trip Mr. Taft had a comparative rest from traveling until in May, 1908, he was directed by the President to again visit Panama, where he met the President of the Panama and Columbian republics and settled differences which were seriously impeding the progress of work on the Panama canal.

Mr. Taft was married in 1886 to Miss Helen Herron of Cincinnati and they

have three children, two boys and one girl. The secretary is a member of the Unitarian church as his family have been for generations before him. He has been honored with the degree of LL. D. by Yale, Harvard, Pennsylvania and Miami universities, and is one of the trustees of Yale college. When Mr. Taft resigned from the bench at the call of President McKinley to take up the problems that confronted him in the Philippines he did so knowing well the magnitude of the task before him. His instructions from the President, which he doubtless read carefully many times, were as follows:

“A high and sacred obligation rests upon the Government of the United States to give protection for property and life, civil and religious freedom, and wise, firm, and unselfish guidance in the paths of peace and prosperity to all the people of the Philippine islands. I charge this commission to labor for the full performance of this obligation, which concerns the honor and conscience of their country, in the firm hope that through their labors all the inhabitants of the Philippine islands will come to look back with gratitude to the day when God gave victory to the American arms at Manila and set their land under the sovereignty and protection of the people of the United States.”

Truly it was one of the greatest tasks that ever confronted any nation—past or present. But the United States had sent one of her “biggest sons” and she knew that he would do the work.

The secret of Mr. Taft’s success in the Philippines was the minute study he made of the political, social and economic conditions in those islands.

On his last trip to the Philippines Mr. Taft did some “big” things. While in China he gave that country to understand that America would not tolerate anything but the “open door.” He did, however, make still stronger the bond of friendship that had already been made strong by the magnanimous act of America in canceling the Boxer war indemnity.

In the Philippines Mr. Taft witnessed the opening of the first elected legislature. Naturally the man who was the first American governor of those islands received a warm greeting. Regardless of what the future may have in store for this man, his fame is secure and permanent, for when the future historian shall write the history of America’s insular possessions, no name will be “bigger” than that of William Howard Taft.

Reference has been made to Mr. Taft’s career at Yale and the famous class of 1878. Among Mr. Taft’s classmates were such men of prominence as Edward B. Whitney, former Assistant Attorney General of the United States; John Trumbull, the Chilean patriot; Herbert W. Powen, former minister to Venezuela; Charles H. Shaw, Stanley Dexter, William T. Gilbert, Frederick Potter, of New



York city, and Alfred Ripley of Boston, now a member of the Yale corporation. These men all feel the loyalty of brother to brother for him, and stand as a single family, irrespective of politics, for his success. He has no warmer adherent than Congressman James P. Pigott, of Connecticut, who as a Democrat represented the second district of his state at Washington. Mr. Pigott says in reference to Mr. Taft:

“He was the leader of his class in every variety of activity. He wouldn’t take time from his studies for athletics, but there was not a single member of the class whose entire respect he did not have at all times. He was a big man, mentally, socially, morally, as well as physically when he was a boy.”

Taft was a favorite of the faculty, and the professors who are now closing their active careers were aggressive tutors or assistant professors then. One of the veterans of the faculty said in speaking of Mr. Taft:

“Taft never got into scrapes. He was highly popular with the faculty because he used all his influence to dissuade his fellow students to keep out of scrapes. He always wielded his influence on the ground of order, decency and common sense, and as he had more influence than any other member of his class the faculty leaned on him heavily for influence in governing the members of his class.”

## CHAPTER VII

### WILLIAM JENNINGS BRYAN

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William Jennings Bryan is of a Virginia family, of Irish extraction. His father, Cyrus Lilard Bryan, was born in 1822 near Sperryville, in a portion of Culpeper County which is now Rapahannock County. Here his ancestors had lived for more than one hundred years. He removed early in life to Salem, Illinois, where his distinguished son was born. The Jennings family to which Mr. Bryan's mother belonged lived for many years in Kentucky, but moved to Illinois early in this century.

Mr. Bryan is forty-eight years old. He was born March 19, 1860, on his father's farm, a tract of 500 acres, near Salem. Here he spent the first ten years of his life. At ten he entered the public school of Salem, where he remained in attendance for five years, doing his work faithfully, but without distinguishing himself especially for scholarship. His special interest was in literary work and the debating society, where he shone seemingly without effort.

During this period of his life Mr. Bryan entertained for a time a boyish ambition to be a preacher, but this he soon gave over, and in its place formed a determination to become a lawyer "like father." This purpose, which was never abandoned, shaped all his subsequent education.

In 1872 Mr. Bryan's father made the campaign for representative in Congress from his district on the Democratic ticket. This was the occasion of the young man's first political awakening. From that time he cherished the thought of entering public life as soon as he should have won reputation and a competency at the bar. As it befell an unexpected opportunity came to him twelve years later, in 1890, when at the age of thirty he made his first campaign for Congress.

Mr. Bryan joined the Cumberland Presbyterian Church at the age of fourteen. Later he affiliated with the First Presbyterian Church of Jacksonville, Illinois, and upon his removal to Nebraska with the First Presbyterian Church of Lincoln, to which he and his family now belong. His religious views belong of course to his private life, but the following extract from a eulogy which he delivered in Congress upon the memory of a deceased colleague may appropriately be set down here both as revealing his views on immortality and as an example of his mature English style:

"I shall not believe that even now his light is extinguished. If the Father deigns to touch with divine power the cold and pulseless heart of the buried acorn and make it burst forth from its prison walls, will He leave neglected in the earth the soul of man which was made in the image of His Creator? If he stoops to give to the rosebush, whose withered blossoms float upon the breeze the sweet assurance of another springtime, will He withhold the words of hope from the sons of men when the frosts of winter come? If Matter, mute and inanimate, though changed by the forces of Nature to a multitude of forms, can never die, will the imperial Spirit of man suffer annihilation after it has paid a brief visit, like a royal guest, to this tenement of clay?

"Rather let us believe that He, who in His apparent prodigality wastes not the rain-drop, the blade of grass or the evening's sighing zephyr, but makes them all to carry out His eternal plans, has given immortality to the mortal and gathered to Himself the generous spirit of our friend."

The eight years from fifteen to twenty-three were an important period in the young man's life. They were spent in school and college—first at Whipple Academy, the preparatory department of Illinois College, Jacksonville, and then in the college itself. His vacations he spent at home on the farm in the healthy pursuits of a vigorous youth, but for these eight years he led the life of a student. Six of them were spent in Jacksonville in the home of Dr. Hiram K. Jones, a relative. The influence of this life had its influence upon the growing boy, Dr. Jones being a man of strong character, scholarly tastes and high ideals. During the existence of the Concord School he was a lecturer there upon Platonic Philosophy. His wife, also, was a woman of rare attainments and as the pair had no children, they gave to young Bryan a home in the full extent of the word.

Bryan's parents wished him to take a classical course. He grumbled somewhat at his Latin and Greek, though he has since recognized the wisdom of his parents' choice. Latin was his favorite, but he had a strong preference for mathematics, especially for geometry, and he still believes that the mental discipline acquired in the study of this science has been useful to him in argument. He was also an earnest student of the "dismal science"—political economy. An incident which perhaps illustrates the nature of his early training sufficiently is related by Mr. Bryan himself. During his first year in the Illinois College as holidays drew near, he wrote to his father in Salem that his trousers were becoming too short and he needed money for a new pair. His father replied that as it was so near vacation he need not make any purchase until he came home, and added: "My son, you may as well learn now that people will measure you by the length of your head rather than by the length of your trousers."



College athletics had not at that time reached the prominent place in academic education which they now occupy, but the beginning had been made and Mr. Bryan was found among the front of his colleagues in this as in other pursuits. He was not an adept at base ball or foot ball, but he was very fond of foot racing and of jumping. Three years after his graduation, on Osage Orange Day, he won a medal for the broad jump in a contest open to students and alumni. The medal records 12 feet and 4 inches, a very respectable distance even in the light of later performances.

A prize contest always roused Bryan's ambition. During his first year at the academy he declaimed Patrick Henry's masterpiece, but failed to win a prize. Nothing daunted, the second year found him again entered with the "Palmetto and the Pine" as his subject. This time he ranked third. The next year, as a freshman, he tried for a prize in Latin prose and won half the second prize. In his sophomore year he entered another contest with an essay on the subject "Labor" and won first prize. An oration upon "Individual Powers" gave him the first prize in his junior year. This entitled him to represent Illinois College in the intercollegiate oratorical contest at Galesburg in the fall of 1880. His oration was upon "Justice." It was awarded the second prize of \$50. Gen. John C. Black was one of the judges of this contest and marked Mr. Bryan 100 in the art of delivery.

In the summer of 1880 Mr. Bryan attended his first political meeting. It was not a success. He was billed to make a Democratic speech at a farmers' picnic near Salem, but upon reaching the grove he found an audience of four, namely, the owner of the grove, one man in control of a wheel of fortune, and two of a lemonade stand. After waiting for an hour for an audience, the meeting adjourned and Mr. Bryan went home. Later in the fall, however, he made four speeches for Hancock and English, the first of them in the court house at Salem. The graduating exercises of Illinois College occurred in June, 1881. Mr. Bryan was chosen to deliver the class oration and valedictory address. Both efforts reveal a high order of merit for a man of his years.

In the fall of 1881 Mr. Bryan entered the Union College of Law at Chicago. Out of school hours his time was spent in the office of ex-Senator Lyman Trumbull, who had been a warm political friend of Mr. Bryan's father. In Mr. Trumbull's home the young man had a home and cherished a friendship which has been preserved by himself and the widow of the great Illinois Democrat to this day.

It was during his residence in Chicago that Mr. Bryan met the young woman who was to become his wife. She was Mary Baird, only child of John and Lovina Baird of Perry, Illinois, about one year younger than Mr. Bryan. Mrs. Bryan attended Monticello Seminary at Godfrey, Illinois, for one year and the Presby-

terian Academy at Jacksonville, Illinois, for two years, graduating from the latter institution with first honors in June, 1881. She has continued her studies since graduation with special attention to the German language and literature, though her chief occupation has been to follow her husband in his legal and political career. After her marriage she read law with Mr. Bryan as instructor, following the course of the Union College of Law at Chicago, and was admitted to practice in the Supreme Court of Nebraska in November, 1888. This course of study she took up, not with a view to entering practice, but in order to put herself in closer touch with her husband, to whom she has been a real helpmeet in the real sense of the word. Mrs. Bryan acknowledges her indebtedness to him as he does to her for constant and valuable assistance, but she is devoted to her home and to her children.

Mr. Bryan began the practice of his profession in Jacksonville, Illinois, on July 4, 1883, seventeen years to a day previous to his nomination at Kansas City. He took desk room in the office of one of the leading firms of that city, but for the first year fared but badly in the struggle for a practice. On the 1st of January following, however, he began to entertain the idea of making Jacksonville his permanent home. It was in Jacksonville that he married and lived for the first three years of his conjugal life. In the summer of 1887 legal business called him to Kansas and Iowa and he spent a Sunday with a classmate in Lincoln, Nebraska. He was greatly impressed with the beauty and enterprise of the Western capital and at once determined to make this city his home. The removal occurred in October of that year. Mr. Bryan formed a legal partnership with Mr. A. R. Talbot. The home which he established in the following winter has ever since been his family home.

Mr. Bryan became actively connected with the Democratic organization in Nebraska almost immediately after coming to the State. His first political speech was made at Seward in the spring of 1888. Soon afterwards he went as a delegate to the State convention, where he formed the acquaintance of leading Democrats of the State and made a series of speeches. His first experience in active politics in Nebraska was a canvass in the First Congressional District in behalf of the Hon. J. Sterling Morton. When the campaign of 1890 opened there seemed small hope of carrying the district, and there was little rivalry for the nomination. Mr. Bryan was nominated without opposition and at once began a vigorous campaign. He issued an invitation to joint debate to his opponent, the Hon. W. J. Connell of Omaha, who then represented the district. These debates excited attention throughout the State and became the occasion for the deliverance of some of Mr. Bryan's best oratorical efforts. A meeting in Lincoln seems in the light of subsequent events to have been a miniature of the Chicago convention of 1896, at which Mr. Bryan was nominated for the Presidency.

When the returns were in it was found that Mr. Bryan had been elected by a plurality of 6,713. Desiring to give his entire time to his work as a representative in Congress, he so arranged his affairs as to retire from practice, though retaining a nominal connection with his legal firm.

This Congress, it will be remembered, opened with an important caucus for speakership. Mr. Bryan's support was cast on the side of William M. Springer in whose district Mr. Bryan had lived at Jacksonville. But in the House he voted for Mr. Crisp, the caucus nominee. Mr. Springer was made chairman of the Committee on Ways and Means, largely through Mr. Bryan's influence. The young Representative's first speech of consequence was on the subject of the tariff, delivered in March, 1892. It is needless to remark to Democrats, even at this day, that this was a notable utterance from every point of view. More than 100,000 copies were circulated throughout the country by members of Congress.

Upon his return to Nebraska Mr. Bryan was re-elected in a new district, the State having been reapportioned in 1891. His opponent was Judge A. W. Field of Lincoln. The Democratic committee in this campaign invited the Republicans to join in arranging a series of debates, and this invitation was accepted. A campaign of even greater bitterness than that of 1890 ensued. Mr. McKinley, Senator Foraker and other Republicans of national reputation were called to Nebraska to aid the Republican nominee. Mr. Bryan participated in all the debates with all these notables, and in addition made a thorough canvass of the district. The victory was claimed by both sides until the Friday following the election, when the result as determined by official count was announced in Mr. Bryan's favor by the narrow plurality of 140. In the Fifty-third Congress Mr. Bryan was reappointed upon the important Committee of Ways and Means. He had the honor to assist in the preparation of the Wilson bill. He was a member of the sub-committee, with Representative McMillin and Montgomery, which draughted the income tax portion of the bill. In the spring of 1893 Mr. Bryan obtained through the State Department a report from the nations in Europe which collected income tax, and the results of this research were embodied in the Congressional Record during the debate. They formed an exceedingly important contribution to the literature of that subject. He was successful also in having incorporated in the Wilson bill a provision borrowed from the Prussian law whereby citizens who have taxable incomes make their own returns and those whose incomes are within the limit of exemption are relieved. Mr. Bryan closed the debate on the income tax in reply to Mr. Bourke Cockran of New York.

Mr. Bryan's principal work, however, in this session of Congress was on behalf of monetary reform. He spoke on August 16, 1893, in opposition to the un-



conditional repeal of the Sherman law, and this speech was one of the noteworthy contributions to the literature of that important subject. Although this effort was born of the occasion and in a measure spontaneous, it is not too much to say that it was the mature result of many year's study of the subject.

It was during this session of Congress also that Mr. Bryan made the powerful though fruitless effort to secure the passage of the following bill:

Be it enacted, etc.: That Section 800 of the Revised Statutes of the United States of 1878 be amended by adding thereto the words: "In civil cases the verdict of three-fourths of the jurors constituting the jury shall stand as the verdict of the jury, and such a verdict shall have the same force and effect as a unanimous verdict."

The desire for this reform in the system of civil judicature was one which Mr. Bryan had long entertained.

In the spring of 1894 Mr. Bryan announced that he would not be a candidate for re-election to Congress. Later he decided to stand as a candidate to the United States Senate. He was nominated for that high office by the unanimous vote of the Democratic State convention. The Republicans made no nomination, but as it seemed certain that Mr. Thurston, the eminent lawyer and counsel for the Central Pacific Railroad, would be a candidate, Mr. Bryan issued a challenge to him for a series of debates. The contest which ensued was one of the most noteworthy incidents in Nebraska politics. Mr. Thurston declined the formal invitation, but consented to an arrangement for two meetings with his opponent. These were the largest political gatherings ever held in Nebraska, and were as gratifying to the friends of Mr. Bryan as his previous debates had led them to expect. At the election Nebraska shared in the general "landslide," and upon this tide Mr. Thurston was elected.

Thereupon Mr. Bryan addressed his supporters in terms as follows, which are worthy of reproduction here:

"The Legislature is Republican and a Republican Senator will now be elected to represent Nebraska. \* \* \* I appreciate more than words can express the good will and loyal support of the friends to whom I am indebted for the political honors which I have received. I am especially grateful to those who bear without humiliation the name of the common people, for they have been my friends when others have deserted me. \* \* \* I have been a hired man for four years and now that the campaign is closed I may be pardoned for saying that as a public servant I have performed my duty to the best of my ability and am not ashamed of the record made. I stepped from private life into national politics at the bidding of my countrymen; at their bidding I again take my place in the ranks and resume with-

out sorrow the work from which they called me. It is the glory of our institutions that public officials exercise authority by the consent of the governed rather than by divine or hereditary right. Paraphrasing the language of Job, each public servant can say of departing honors: "The people gave and the people have taken away, blessed be the name of the people."

In this campaign Mr. Bryan received the votes of all the Democrats and nearly half of the Populist members of the Legislature, who represented a constituency then amounting to a considerable fraction of the suffrage of the State, which has not decreased with the increase of years. In Nebraska the Democratic party has been for many years in the minority. But as there are several points of agreement between it and the Populist party, Mr. Bryan has always advocated co-operation between the two.

In the spring of 1893 Mr. Bryan received the support of a majority of the Democratic members of the Legislature for the Senate of United States, but when it became evident that no Democrat could be elected, he cheerfully assisted in the election of Mr. Allen, a Populist. Again in 1894 in the Democratic State convention Mr. Bryan aided in securing the nomination of a portion of the Populist ticket, including Mr. Holcomb, Populist candidate for Governor. The cordial relations which exist between the Democrats and the Populists of Nebraska were a potent influence in securing Mr. Bryan's nomination in 1896 at Chicago.

Mr. Bryan made his entrée upon newspaper work September 1, 1894, when he became chief of the editorial staff of the Omaha "World-Herald." In this position he was able to reach daily a much larger number of people than could possibly be addressed from any platform. After the adjournment of Congress, however, on his way home from Washington, Mr. Bryan lectured at Cincinnati, Nashville, Little Rock and at several points in Missouri, arriving in Lincoln March 19, 1895, his thirty-fifth birthday. This occasion was made notable by a reception accorded to him by the Jefferson Club of Lincoln, at which Mr. Bryan made his famous address upon the perennial subject, "Thomas Jefferson Still Lives."

Mr. Bryan intended to resume the practice of law at this period of his career, but the contest for supremacy in the Democratic party had begun in earnest and the calls upon his eloquence were so numerous and so urgent that it seemed best to him to devote his time to lecturing and to the public discussion of questions which clamored for an answer. Concerning this period of his career Mr. Bryan's political enemies have not scrupled to insinuate that he was in the pay of the silver league. A sufficient reply to these insinuations is furnished by Mrs. Bryan herself, who says:

"His editorial salary formed the basis of his income. When lecturing before Chautauquas and similar societies he was paid as other lecturers. At meetings

where no admission was charged he sometimes received compensation and at other times received nothing. Many of the free speeches were made en route to lecture engagements, and his compensation ranged from traveling expenses to \$100. Only upon two or three of these occasions did he receive more than this. Never at any time was he under the direction of or in the pay of any silver league or association of persons pecuniarily interested in silver. During the interim between the adjournment of Congress and the Chicago convention he spoke in all the States at the West and South and became acquainted with those most prominently connected with the silver cause."

This, with some proper emendations, is a sufficient record of Mr. Bryan's course since the election in November, 1896. When the call to arms came for the conflict with Spain he was one of the first to respond. Though unaccustomed to the military career, he raised a regiment and was appointed its colonel. His military record is part of the history of this period. It is without blemish, beyond reproach, entitled even to the high praise which comes to a military commander who maintains the dignity of his command in time of peace.

There is no desire at this time or in this place to dwell upon Mr. Bryan's private life. Any biography of a man, however, would be incomplete without reference to his relations to the home which he has built in the Nebraskan capital. It is perhaps enough to say that every moment which can be snatched from a busy public career is spent in intimate and confidential association with his wife and children. Of the latter there are three, two girls and a boy. Mr. Bryan possesses the happy faculty of all great men which enables him to so nicely adjust the balance of this time that he can expend upon his public duties from sixteen to eighteen hours of the twenty-four and yet live in intimate association with the members of his family. He has an unbounded capacity for work. The visits at his Nebraska home number scarcely less than one hundred daily. His mail is enormous. Yet by the perfect adjustment of his relations he finds himself able to see every American citizen who comes to him with a competent errand and to answer every letter that reaches him in the mail. At all times and in all relations he is the ideal American citizen.

After his defeat for the Presidency by Mr. McKinley in 1896 Mr. Bryan established at Lincoln a weekly paper, the "Commoner," in which he has expounded his views of Democracy, and which has not only attained a wide circulation and a position of authority, but which has also become a very profitable publication. He was again the nominee of the Democratic party in 1900 for the Presidency, but was defeated by Mr. McKinley. After that defeat he took a trip around the world, and wrote a series of letters which were published in the principal papers of the



United States concerning his travels. In 1904 Mr. Bryan was again a candidate for the Democratic nomination for the Presidency at the convention held in St. Louis, but was defeated by Judge Parker of New York. Since that time he has devoted his time to the conduct of the "Commoner" and to numerous lecture engagements. He has been in constant demand all over the country at highly remunerative prices. As a result of this activity, Mr. Bryan, who at the time of his nomination in 1896 was a poor man, has become a comparatively rich one, and is now, in the ordinary course of events, financially independent.

## CHAPTER VIII

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### JAMES S. SHERMAN

When the Republican National Convention of 1908 met in Chicago on June 16th there was absolutely no clew to indicate the choice of the delegates for the vice-presidential nomination. While the nomination of Mr. Taft for the presidency was generally conceded, there was no one figure in the Republican party that loomed up with striking prominence for the second place on the Republican ticket. This condition of uncertainty prevailed even after Mr. Taft's nomination on Thursday, June 18th. And it was only during the deliberations of the leaders on that night that James Schoolcraft Sherman, congressman from Utica, New York, was virtually decided upon. Previous to that time there were numerous possibilities in the field. Vice-President Fairbanks of Indiana could without doubt have been renominated if he would have accepted the position, but this he absolutely declined to do. Senator Dolliver of Iowa was also strongly talked of as a possibility, but he declined to permit the use of his name. The friends of Governor Cummins of Iowa were also numerous, and Governor Sheldon of Nebraska had many friends. Curtis Guild, governor of Massachusetts, also had many adherents. But the knowledge which became general after Mr. Taft's nomination—that President Roosevelt and Mr. Taft favored the choice of Mr. Sherman for second place—was sufficient to sway a vast majority of the delegates to the latter's support, and he was nominated and elected on the first ballot by an overwhelming majority.

The convention was not called to order on Friday, the 19th of June, until 10.30 A. M., and immediately after the presiding officer, Senator Lodge, had made a formal announcement of the nomination of Mr. Taft for president (a formality which should have been attended to the day before, but which had been overlooked in the enthusiastic demonstration which followed Mr. Taft's nomination), the nominations for vice-president were declared in order. Nominating speeches were limited to ten minutes, and seconds to five. The clerk began the call of the roll of states and when Delaware was reached announcement was made that that state gave way to New York.

Former Lieutenant Governor Timothy Woodruff of New York then made the nominating speech for Mr. Sherman and was seconded by Speaker Cannon of

Illinois. Governor Willson of Kentucky also seconded the nomination. The call of the roll of states then proceeded, when Massachusetts was reached and Senator Lodge nominated Curtis Guild of Massachusetts and was seconded by Charles S. Osborne of Michigan. When New Jersey was reached on the roll call, Thomas M. McCarter placed in nomination ex-Governor Franklin Murphy, for whom there was no seconding speech. This ended the nominations, the remainder of the states as they were called generally rising and seconding the nomination of Mr. Sherman. The result was 816 votes for Sherman, 75 for Guild, 77 for Murphy, 1 for Charles W. Fairbanks, and 10 for Sheldon. This ended the work of the convention and the same adjourned sine die.

Mr. Sherman has had a long career in Congress, having represented the Twenty-second district of New York for nine terms. For the past two years he has been chairman of the Republican Congressional Committee and since the retirement of Mr. Grosvenor of Ohio from the House he has been one of the members of the Committee on Rules, the other two members of which were Congressman Dalzell of Pennsylvania, and the Speaker. It is this committee which virtually lays out the work and controls the procedure of the House.

Mr. Sherman's home is at Utica, New York, of which city his father was at one time mayor. Two of his sons have since held the same position, one, Richard W. Sherman, Jr., being twice elected on the Democratic ticket, and the nominee for vice-president some time afterward carrying the city by a much larger majority on the Republican ticket. Besides his political activities Mr. Sherman has been active for many years in the business world. He is a lawyer by profession, having studied for the bar after his graduation from Hamilton College in 1878, and still occasionally appears in the courts in cases of importance. Mr. Sherman is also president of the Utica Trust and Deposit Company's banks and with a brother, Sanford, is interested in the New Hartford, N. Y. Canning Co. He is a member of many clubs and societies, having joined the Sigma Psi fraternity while at Hamilton College; a member of the Royal Arcanum Club and Society of Utica; Utica Lodge No. 33, Benevolent and Protective Order of Elks; a member of the Fort Schuyler Club of Utica, and the Republican City and University Clubs of New York.

Mr. Sherman is fifty-three years old, having been born at New Hartford, New York, October 24th, 1855. He married the daughter of Louis Babcock, who was one of the most noted criminal lawyers in New York state. He has three grown sons—Sherrill, 25 years old, note teller in his father's bank in Utica; Richard U., 24 years old, assistant professor of mathematics at Hamilton College, and Thomas M., secretary of a manufacturing company at Utica.



So great is Mr. Sherman's popularity in his home town that he has been defeated at the polls only once. Although his district is not strongly Republican and he has been before the people as a candidate twelve times, his record in Congress has been of a nature to make him well known and in 1889 he was a candidate for speaker of the House, but was defeated through the influence of the West. Mr. Sherman is a man of comparative wealth, and by some people it is said that he is the richest man in Utica. He is noted for his jovial nature, likes a funny story, funny plays, and is in every way a most genial companion.

## CHAPTER IX

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### JOHN WORTH KERN

John Worth Kern, the Democratic nominee for the Vice-Presidency, has been regarded for years in Indiana as the worthy successor of Thomas A. Hendricks, who was the running mate of Samuel J. Tilden in 1876 and was elected Vice-President on the ticket with Grover Cleveland in 1884.

He was born in the village of Alto, Howard County, Indiana, on December 20, 1849, and with the exception of a few years of his boyhood, when he resided with his father in Independence, Iowa, all his life has been passed in the Hoosier state. His father, Dr. Jacob H. Kern, was a distinguished physician in Indiana in the early part of the last century, and died only a few years ago near Roanoke, Va., the place of his birth and the home of his ancestors. In his old age Dr. Kern purchased a country place in the mountains there and his son John W., became a frequent visitor to Roanoke. The members of his family still go there and it is said that in West Virginia he is almost as well known as in Indiana.

Mr. Kern paid his own way through college, graduating with high honors at the University of Michigan, and afterward won the degree of Bachelor of Laws in the law school of that institution, all before he was twenty years of age. He was admitted to the bar at Kokomo, Ind., in 1869, and almost immediately he began to win fame in the criminal courts. Before a jury he is said to have been almost irresistible, and this reputation still clings to him, though his practice in later years has been practically exclusively civil.

When 21 years old Mr. Kern ran for the legislature in the Republican county of Howard, but was defeated. He was chosen city attorney of Kokomo for six terms over Republican aspirants. In 1884 he was elected reporter of the Supreme Court. Since then Indianapolis has been his home. He has worked in every campaign, served the county in the legislature, and was the leader of his party in the state senate. He was city attorney under the last two administrations of Mayor Thomas Taggart, from October, 1897, to October, 1901. In 1900 he was nominated for Governor, but was defeated. He was again the candidate in 1904, but was beaten by Governor Hanley. Before the St. Louis Convention in 1904 Mr. Kern's name was prominently mentioned among the vice-presidential possibilities.

Mr. Kern has been president of the Commercial Club and has always been conspicuous in all state and civic movements. He has been married twice. His first wife was Miss Julia Anna Hazzard, whom he married in 1870. By her he had two children, the eldest of whom, Frederick Kern, served with General Shafter in Cuba, and died in 1906. The other is a daughter, Miss Julia, who is 24 years old, and is regarded as one of the most beautiful and cultured women in Indianapolis. Mrs. Kern died in August, 1884, and in December, 1885, Mr. Kern married Miss Samantha A. Cooper of Kokomo. From this marriage two children have been born, John W., aged 7, and William H., aged 5.

The present Mrs. Kern is the social arbitress of Indianapolis. She is a dignified looking woman, of rare tact and culture, and entertains on a lavish scale. Her friends say that Mr. Kern indulges her every whim, is proud of her prestige as a social leader, and that because of the hospitality for which their home is famed he has saved practically nothing for his old age. His entire fortune is said to be less than \$15,000.

John W. Kern has appeared in some of the most famous cases tried in the middle West in the past quarter of a century, and has triumphed over many of the most eminent lawyers of the nation. In Indianapolis it is said that his earning capacity is only limited by his capacity for work, and that is very great. His practice and his family are his two hobbies. He is said never to be happier than when working on a brief in his library at home amid the chatter of his children's voices. He prefers a talk with his wife and a puff at his pipe while seated before a big open fireplace to all the excitement that the club or the theater can offer.

In his younger days Mr. Kern drank in moderation, but now he never touches liquor in any form. He is said to have decided that the bottle was one of the evils of politics and he would have no more of it. But Mr. Kern does not object to the judicious use of liquor by his friends and keeps it on his sideboard to offer to them. In religion he is a Presbyterian and is a fairly regular attendant at church with his wife.

Residents of Indianapolis, irrespective of politics, sing his praises as a citizen and a man. They love him as a neighbor and a friend. They say that if every man gave of his earnings and his strength to help uplift his fellows in the proportion that John W. Kern gives there would be little want and the world would be a great deal better off.

In politics Mr. Kern has always been a staunch Democrat, though his loyalty to the party was sorely tested four years ago when it looked as if William R. Hearst had a chance to carry the Indiana primaries. He stumped the state in the interest of Judge Alton B. Parker's candidacy and never let up for an instant until he was



certain of victory. The Democrats of Indiana agreed to support Parker simply because Kern told them he would do. They said that they never had heard of the New Yorker, but if "John W. vouched for him they would take him," rather than Hearst.

Previous to the Democratic convention of 1896 Mr. Kern was a gold man, and did all he could to prevent the nomination of Mr. Bryan and the adoption of the famous free silver plank in the platform of that year. Once Bryan was named, however, he loyally supported him and became such an admirer of the Nebraskan that his friends strongly suspected him of being converted to the free silver idea. He protested that such was not the case, though he was more of a radical than ever before.

## CHAPTER X

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# THE REPUBLICAN PARTY IN HISTORY

(As viewed from the Republican standpoint.)

The Republican party is to-day as it has been for over half a century, the party of sturdy American principles, progressive and conservative, accomplishing what it advocated and advocating what it believed to be the best ideals of government for a great people loving liberty and restrained by a national conscience. It has not been influenced by hysterical impulse, but has for years resisted that tendency in its own ranks and withstood it in the assaults of its opponents. It has triumphed over other parties since its organization because of its courage to fight for the principles which were formulated by the conscience of the people, a conservatism which checked revolutionary tendencies.

The Republican party had its origin not in revolutionary doctrine, but in the sober judgment of the people of the North that compromise with slavery was no longer possible in the development of the great territory of the West which was soon to be organized into States and have an equal part in the Union. It was in accord with the scriptural truth that a house divided against itself could not stand—that the nation could not live part slave and part free.

The first Republican President was a man of the people coming from the West where the strains of the Puritan and the cavalier met to form the best type of American independence. Most Republican Presidents have come from that same great section of the country, the Mississippi Valley, the newer New England, which has become the center of political thought as well as the center of population.

The record of the Republican party is written in the amendments of the Constitution, and in the statutes, but it is also written in the most remarkable period of development of the United States. This record is also written in the position this government now holds among the great powers of the world. Its record is one of sturdy Americanism, good business management and wise diplomacy. What more can be asked of a political party inviting the support of the voters of the country?

The Republican party was organized at a time when the slavery question as applying to the new territories had been reopened by the practical nullification of the Missouri Compromise, which had been accepted as having made free soil

forever of the territory west of the Mississippi river, except in that portion which was to constitute the State of Arkansas. The effort of the Democrats in Congress to nullify the Missouri Compromise and leave Kansas and Nebraska open to slavery brought about a new alignment in politics and a new political party. There was a Free Soil movement all over the North. It was divided and without force until a delegate convention met in Pittsburg, Pennsylvania, in February, 1856, and organized a Republican party. All Free Soil parties were invited to join the new national party, and the name adopted was, as Horace Greeley said, "almost spontaneously." The Pittsburg convention set forth a long and able exposition of the principles and purposes of the Republican party and called a national convention to meet in Philadelphia, June 18 of the same year, to nominate candidates for President and Vice-President. All who deprecated the repeal of the Missouri Compromise and favored Congressional control of the Territories were invited to send delegates, but only Delaware, Maryland and Kentucky of the slave States were represented in this new convention.

Into the Republican party went the body of Free Soilers, among whose leaders were Charles Sumner, Salmon P. Chase, Frank P. Blair, and Charles Francis Adams; the anti-slavery whigs among whom were Horace Greeley, Thaddeus Stevens, Abraham Lincoln, William F. Seward and Fessenden. Many of the Know-Nothings, like Banks, Colfax and Henry Winter Davis, won, as time passed by, the anti-slavery people of the party policy; some of the original abolitionists, like Giddings, Garrison and Wendell Phillips, though these were not nominally of the party and only active with it to spur it on to new aggression against slavery. Others came directly from the Democratic party and did much to win popularity for the new organization. Among these were Gideon Welles of Connecticut, Cameron of Pennsylvania, Hamlin of Maine, Trumbull of Illinois, Montgomery Blair of Missouri, and William C. Bryan of New York. Only earnestness of conviction and true devotion to principle could have united in one effective organization so many diverse elements.

The platform of the Philadelphia convention declared the party opposed to the repeal of the Missouri Compromise, to slavery extension and to the rejection of the appeal of Kansas for admission as a free State; while it favored internal improvement, ignored the tariff and called upon Congress to exercise its sovereign power over national territory by prohibiting in the Territories "those twin relics of barbarism, polygamy and slavery." John C. Fremont and William L. Dayton were nominated for President and Vice-President, and the party cry for the campaign was: "Free soil, free speech, free men and Fremont."

Although the Republican party was not successful in that first year of its



organization in electing its candidates, it was successful in spreading broadcast throughout the land the new principles of government which were to be put into practice four years later. It was but the beginning of the building of the country, advancing its civilization, the introduction of new industries and protection to the wage-earner. At that election over 4,000,000 votes were cast, being an increase of about 30 per cent over the election in 1852. For the first time in many years a Democratic President was elected by a minority of the total popular vote. While James Buchanan, the Democratic candidate, received 1,838,160 votes, the opposition vote represented 2,215,768. The Republican party cast 1,341,234 votes and gave to Fremont 114 electoral votes. Of the sixteen free States, only California, Illinois, Indiana, New Jersey and Pennsylvania remained Democratic, and of these the combined opposition was greater than the Democratic vote in California, in Illinois and in New Jersey.

The Lincoln administration was confronted with secession, armed rebellion and assault upon the national flag and national authority in its beginning, and was by force of circumstances compelled to ignore all ordinary affairs of government and put forth every exertion to save the country from disunion and the nation from destruction. Thousands upon thousands of Democrats came to the aid of the President, but the Democratic party was hostile and sought only to embarrass him. President Lincoln raised the greatest armies ever assembled in this country, fought the greatest war of history to a successful conclusion, defeated secession, emancipated seven millions of slaves and saved the Union all free. A Republican Congress raised revenues for the war by authorizing loans and by passing a tariff bill, passed a homestead law, and a national banking law. The Peace Democrats continued to denounce the war, and in their national convention in 1864 declared the war a failure.

With the war still the overshadowing issue in 1864, the Republican convention in its platform demanded the unconditional surrender of the rebellious forces, the integrity of the whole union and the abandonment of slavery. But it did not in the extremity of this nation forget its obligations to other Republican governments on the American continent. The convention approved the position taken by the government "that the people of the United States can never regard with indifference the attempt of any European power to overthrow by force, or supplant by fraud, the institutions of any Republican government on the Western continent;" and it resolved that "they will view with extreme jealousy, as menacing to the peace and independence of their own country, the efforts of any such power to obtain new footholds for monarchical governments, sustained by foreign military force, in near proximity to the United States." In taking that firm

position regarding the efforts of European powers to place Maximilian on the throne in Mexico, the party saved the sister Republic to the South. President Lincoln was renominated, and Andrew Johnson of Tennessee was nominated for Vice-President. The party had a signal triumph at the polls, and Lincoln was re-elected by an overwhelming majority. He had 212 electoral votes with only 21 for George B. McClellan, the Democratic candidate. The popular vote stood: Republican, 2,216,067; Democratic, 1,808,725.

President Lincoln was assassinated the night of April 14, 1865, less than six weeks after his second inauguration, and Andrew Johnson succeeded to the Presidency. Mr. Johnson was a constitutional strict constructionist of the Tyler pattern, with the extreme principles of the old-time Democracy canonized in his breast. He was in conflict with his party almost from the beginning of his administration, and the conflict resulted in his impeachment which failed in the Senate by want of the two-thirds vote necessary. The 13th amendment of the Constitution had been adopted just at the close of President Lincoln's first term, and the 14th amendment, giving citizenship to the unfranchised race, was adopted in 1866. It was opposed by President Johnson, and he refused to sign it, but submitted it to the States and it was ratified by them. Reconstruction under such conditions of hostility between the President and his party was slow, and attended with many trials and failures.

The Republican party next turned to the great soldier of the Union, General U. S. Grant, and in the convention of 1868 nominated him for President, with Schuyler Colfax of Indiana as the candidate for Vice-President. Horatio Seymour of New York was the Democratic candidate, with Francis P. Blair, Jr., of Missouri for Vice-President. The platform of the Republican party was dictated by the exigencies of the reconstruction difficulties and declared its unwavering resolution to secure suffrage for the liberated slave, and to carry out the principles already begun by the former administration as to restoration. The platform also denounced all forms of repudiation as a national crime, and declared that the national honor required the payment of the public debt in the utmost good faith to all creditors at home and abroad, not only according to the letter, but the spirit of the laws under which it was contracted.

General Grant was elected by a greater majority than Lincoln had received at his last election. In the electoral college, Grant had 214 votes and Seymour 80. The popular vote stood: Grant, 3,015,071; Seymour, 2,709,613.

In Grant's first administration the Fifteenth amendment to the Constitution was adopted, giving the right of suffrage to all citizens without distinction of "race, color or previous condition of servitude;" the notorious Ku Klux bands

in the South were suppressed; the work of reconstruction practically completed by the readmission of the Southern States that had seceded; the Alabama claims of the United States against Great Britain, arising out of the depredations of the Anglo-rebel privateers, were settled; the Federal election law, or "Force Bill" as the Democrats called it, was passed; the amnesty bill adopted, reviewing the political disabilities of those who had been in rebellion; and the first civil service law was passed; and in 1872 President Grant was renominated by acclamation by the Republican National Convention which met in Philadelphia. Henry Wilson was nominated for Vice-President. The platform recited the glorious achievements of the party in its eleven years of administration, and insisted on no abatement in the Republican party's vigorous reconstruction policy. Those Republicans who deserted the party and formed the Liberal Republican organization nominated Horace Greeley for President and B. Gratz Brown for Vice-President, and the Democrats endorsed this ticket. Grant's popular vote was 3,597,070, and Greeley's 2,834,079. Greeley died of a broken heart within the month after the election, and the Democratic electors cast their votes for Thomas A. Hendricks and B. Gratz Brown, with scattering votes for other candidates, but President Grant had the largest electoral vote ever given a presidential candidate up to that time, his vote being 286.

The Republican party did not leave its scandals to be unearthed and investigated by its opponents, but took vigorous hold upon them itself, and investigated the Credit Mobilier scandal, the Whisky Ring and the other scandals growing out of this and former administrations, and purified its own ranks.

In 1876 there was a spirited contest for the Republican nomination for President, with Blaine, Conkling, Bristow, Morton and Hayes as the leading candidates. The convention met in Cincinnati June 14, and on the seventh ballot Rutherford B. Hayes, then Governor of Ohio, was nominated. William A. Wheeler of New York was nominated for Vice-President. The platform confirmed the party belief in the transcendent power of the Constitution over the States, declaring that "the United States is a nation, not a league." It also advocated a tariff sufficient to meet the future expenses of the general government, and claimed the right of Congress to suppress polygamy in the Territories. On this platform General Hayes was elected President. He carried all the Northern States except Connecticut, New York, New Jersey and Indiana. The Democrats carried all the southern States except South Carolina, Florida and Louisiana. These States were also claimed by the Democrats, and the result was reached through the Electoral Commission, created by Congress. The electoral vote as decided by the commission was as follows: Hayes, 185; Tilden, 184. The popular



majority was against the Republicans. There was a Democratic House, and that branch of Congress sought to coerce the Senate and the President to repeal the Federal election laws by refusing to pass appropriation bills without this repeal as a rider. The Republicans stood firm and succeeded in an extra session of Congress in passing the necessary appropriation bills without riders. The resumption of specie payment was made under the Hayes administration, and on December 17, 1879, gold sold at par in New York. It was first sold at a premium January 13, 1862, and it reached its highest rate, \$2.85, on July 11, 1864.

The campaign of 1880 for the Republican nomination was the greatest political battle ever fought in this country. The contest between the followers of General Grant and those who were opposed to a third term was bitter and stubborn. After thirty-five ballots in the convention the followers of Blaine and Sherman united on General Garfield, and he was nominated on the thirty-sixth ballot. Chester A. Arthur was nominated for Vice-President. The platform advocated a tariff favorable to American artisans; discriminated between national and State power in favor of the former; advocated public improvements and opposed polygamy and Chinese immigration. General Garfield was elected, receiving 214 votes in the electoral college to 155 for General Hancock. The popular vote stood: Garfield, 4,454,416; Hancock, 4,444,952. President Garfield was shot by Charles J. Guiteau on July 2, 1881, and died September 19. Chester A. Arthur succeeded him as President, and conducted the administration safely through the term. The Edmunds anti-polygamy bill was passed, and signed by President Arthur, March 23, 1882. The anti-Chinese bill became a law in the same year; the civil-service law was amended; and the policy of chaining closer together all the American Republics was begun. President Arthur began his administration facing greater embarrassments than any President of the United States, and overcame them in a way to surprise his friends and political opponents.

James G. Blaine and John A. Logan were the Republican candidates for President and Vice-President in 1884. The platform demanded the imposition of such duties on foreign imports to afford security to our diversified industries and protection to the rights and wages of the laborer, to correct irregularities of the tariff and to reduce the surplus; urged that effort be made to unite all commercial nations in the establishment of an international standard which shall fix for all the relative value of gold and silver coinage; and demanded the restoration of the money to its old-time strength and efficiency. Blaine was defeated and Grover Cleveland became President.

In 1888 Benjamin Harrison was nominated for President and Levi P. Morton of New York for Vice-President, by the Republican convention which met

in Chicago. The platform reaffirmed the American doctrine of protection. It demanded the freedom of the ballot, and declared its opposition to trusts. This was the first political platform to denounce trusts and other combinations of capital to control arbitrarily the conditions of trade.

The Republican ticket was elected, Harrison receiving 233 electoral votes and Cleveland 168. There was a Republican Senate and House and the administration of President Harrison was noted for the passage of the McKinley tariff law, the Sherman anti-trust law, the firm foreign policy maintained, and also for the firmness of Speaker Reed in ruling the House of Representatives so as to allow a majority to do business rather than have the House controlled by the minority.

The Harrison administration was accompanied by great prosperity in every department of trade and industry, and was called the golden era of prosperity. President Harrison was defeated for re-election in 1892, and the Democrats repealed the McKinley law, substituting for it the Wilson tariff law. They also repealed the Federal election law. The Cleveland administration was attended with commercial disaster throughout the country, and the Republicans again turned to William McKinley, the author of the McKinley tariff law, as the "advance agent of prosperity." He was nominated at St. Louis in 1896, and the platform condemned the tariff act passed by the 53rd Congress and favored protection. It opposed the free coinage of silver and favored the "existing gold standard." President McKinley was elected by the largest popular vote ever given to a candidate. His administration redeemed all the Republican pledges made in the platform. He called an extra session of Congress within ten days after his inauguration and within three months the Dingley bill had been enacted and signed. Cuba was freed from the cruel domination of Spain. Mr. McKinley was unanimously renominated in 1900, and elected, but was assassinated by Leon Czolgosz at Buffalo on September 6, 1901. He was succeeded by Theodore Roosevelt, then Vice-President, who took the oath of office September 14, the day of President McKinley's death. President Roosevelt was unanimously renominated in 1904, and re-elected.

President Roosevelt's administration has been marked by the active prosecution of work on the Panama Canal, by his action in bringing about the Portsmouth Convention, which ended the war between Japan and Russia, by his unswerving prosecution of the laws against trusts in restraint of trade, and by his friendly attitude toward labor, as evidenced in the great coal strike. He will retire from office with the profound respect and affection of all classes of citizens.

## CHAPTER XI

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# THE DEMOCRATIC PARTY IN HISTORY

(As viewed from the Democratic standpoint.)

The history of Democracy is the history of the Republic. It had its origin as soon after the formation of the thirteen colonies as the people came to a realization of their rights as individuals. Mr. Jefferson, the founder of the party, came from aristocratic surroundings, but his sympathies from the beginning were with the "common people." His brain conceived and his hand wrote the Declaration of Independence, altogether the most notable document of its kind that ever came from human hands. Prof. Moses Coit Tyler, who has made the most careful examination of the literature of that period, says in his "History of American Literature" that this product from the pen of the first great Democrat has been more extensively quoted in all languages and by all races than any other. It has been the universal voice for all peoples asserting their independence against the oppression of an alien race. In South America, in Greece, in the far East, it has been quoted word for word. Americans accustomed to the cheap oratory of "patriot" declaimers are apt to forget the significance of this fact, which, however, remains as the most splendid instance of American patriotic literature, never to be forgotten; never to be belittled.

It has been remarked of Mr. Jefferson, and truly, that while other charters of liberty proclaim the liberties of a single people, his great pronouncement deals with the liberties of the human race. We find an explanation of this in the fact that for several years after he wrote the Declaration of Independence Mr. Jefferson lived in Paris, in the immediate vortex of the great events which constituted the French Revolution. There he was an immediate witness of those facts which Thomas Carlyle has made immortal in his "History". Other patriots have dealt with the rights of their own people. "We declare," says Mr. Jefferson, "the equality of all mankind." That was his theme. It was that which alienated him from the people of his own class and placed him upon the pedestal belonging exclusively to the great champions of human liberty the world over. De Tocqueville said, thirty years after Mr. Jefferson's death: "The people of this Republic will maintain the full dignity of their institutions so long as they preserve the ideals which their founders have established." The French statesman, like the Virginian, was an aristocrat



by birth, but he had learned by the study of human history, as Jefferson had learned, that all men were created equal. He was quick to perceive that this was the basic fact of the then new republic.

Jefferson was the champion of the Democracy. The fact and the word come down to us in these times as truisms, but, as it has been remarked, the truths of one age become the truisms of the next. Thomas Jefferson belonged to the race of men which creates truism. Democracy, etymologically as well as historically, means the government of the people—*demos* and *krateo*. Such a meaning necessarily implies a division of society into classes, each with a sort of stability. The sovereignty originally resided in one of these classes, which naturally was a select class of the rich and favored. Jefferson was one of the first to grasp the fact that this sovereignty which had been arrogated to the few belonged of right to the many. He was and always will be remembered as the champion of the people. His favorite maxim was, "I trust the common people; their judgment is never in error in respect of principles involving their own rights." It is well in the light of recent events to remember that this great statement of human rights was in all cases and at all stages of his momentous career recalled with pleasure by the President who assisted at the foundation of the Republican party, but from whose tenets the party has so far departed—Abraham Lincoln.

The Democracy of modern times had not and could not have the same meaning as that of antiquity. But it is none the less true that the very notion of Democracy differs profoundly from that which the ancients formed of it and that it no longer responds to the same ideas or expresses exactly the same facts. It may be said without irreverence that the Christ was the first democrat of history. Modern nations were formed under the influence of his teachings, and man, according to the conception which has prevailed for nearly twenty centuries, has been following, blindly it may be, but none the less implicitly, the doctrines which He pronounced as the foundation of the new era. According to Christianity, it is man as such that has the greatest value.

This is the fundamental of the democratic doctrine. All the children of God, the entire brotherhood of man, belong to the same family and have equal rights. These doctrines, which we now accept as truisms, were considered anarchical, heretical, one hundred years ago. It required the moral courage of a Montesquieu or a Voltaire, or a Paine or a Jefferson to declare them in the fervid light which was evoked by the events of the last century.

These general principles found full scope for their application to the immediate affairs of human kind amidst the events that signaled the foundation of the republic. There was no differentiation of parties, as we know them, until after the

thirteen colonies had separated themselves from the parent monarchy. It was then that the wise hand and great brain of the founder of the Democratic party came to the front to shape the Declaration of the new Republic. The distinction between Whig and Tory had previously been well defined in the Old Country. On this side of the Atlantic it soon took shape as a line of demarcation between those who adhered to the old theory of monarchical government and the new doctrine of popular rights and popular government. Mr. Jefferson, whom it is the happy heritage of the democracy to have followed in all his pronouncements upon this great subject, was one of the first to outline the principles of the democracy. One says "new democracy" with something like reverence for the daring, the mental audacity of the man who in that environment was strong enough to stand forth and proclaim the rights of the "common people." According to the pronouncement of Lord North and the Tories of King George III, who at that time represented the consensus of aristocratic opinion, the common people had no rights, and it remained for Jefferson and his associates to assert them; at what a cost to their social and political position we can only imagine.

It is perhaps sufficient for this purpose to record that Mr. Jefferson's most notable pronouncement in 1776 was the occasion of a universal reversion from the accepted ideas of that time to those which we now receive as the fundamentals of our liberties. The Tory party has become a historical reminiscence. It was abolished at the close of the War of the Revolution, when the triumphant Wigs confiscated the estates of its more active members and compelled them to leave the boundaries of the colonies. Some of them found refuge in Europe, but not a few crossed the northern line into the loyal Dominion of Canada and there some of their descendants are to be found to this day fomenting the cause of monarchy and maintaining even at this late date the rights of the select few as against the rights of the democracy. These are among the sequences of history to which the philosopher turns with instruction and sometimes with amusement.

Mr. Jefferson was in Europe when the confederacy was formed between the thirteen colonies. As has been said, he was at this critical period of his life associated with the great champions of human liberty who have given to the world the immortal document of that period. The value of these lessons is to be seen in his later works.

But before the end of year 1776 most of the colonies, now the states, had settled their forms of individual government. It is one of the truisms of American constitutional history, which, however, can not be too often reiterated, that the fundamental principle of this confederation consisted in this single fact: that such rights as are expressly given to the Federal Government are its own, and that all

others belong as a matter of course to the individual states. The Supreme Court has now and again reasserted this important principle, but Americans, especially in the present tide of federalistic tendencies, are too apt to forget it, and to arrogate to the central power at Washington functions which the founders of the Republic expressly reserved to themselves as members of the constitutional colonies or states. If the Governor of Idaho had recalled this fact; if he and his associates in the mad rush of federalistic assertion which he maintained during the affairs at the Coeur d'Alene had remembered the fundamentals of American liberty as they were asserted by the founders of the Republic, it is scarcely to be believed that such outrages as were perpetrated in that far-away Western State could have found the justification which he had the temerity to put forward in the name of law and the constitution. It is scarcely possible to believe that if the President of the United States had been mindful of those precepts of liberty upon which his office was based, he would have given the name and authority of this great office to these same outrages. It is always safe, but it is seldom convenient, for the apostles of imperialism to hark back to the familiar but always true doctrines upon which the Republic was founded.

This is not a history of the Democracy. That chapter in the record of our liberty is to be found only upon the pages which record the perennial, the unceasing and the undaunted struggle of the common people against those who from the beginning have sought to abridge their liberty and restrain their powers. It is perhaps enough even to glance at the period during which these high principles were established upon their present high pedestal. Americans of this generation look back with amazement to the time when such respectable and respected leaders as Hamilton and Quincy Adams asserted their distrust in the wisdom and discretion of the common people. That was the basis of Federalistic policy. Hamilton did not hesitate to assert it. Himself of doubtful foreign origin, born and perhaps bred in the atmosphere of monarchy, he was bold and unreserved in his assertions that no safety was to be found in the consensus of public opinion. Like Jefferson he had studied the Revolution of France. But unlike the founder of the Democracy, he had failed to derive therefrom the principles upon which we have since reared the fabric of our liberty. There arose, and especially in the select colonies upon the James river, and in New England, a coterie of men undoubtedly honest, though as we see them now, undoubtedly wrong, who felt and said that government was a function belonging to the few, the educated, the rich, the aristocratic, the conservative, the select.

It was against this class that Jefferson, himself a member, fought the great battles of his life. He never doubted and he never permitted others to doubt the supreme wisdom and the supreme authority of the "common people."



This doctrine was bequeathed in its entirety upon his death to that other great champion of the Democracy, Andrew Jackson, who came into his heritage as the leader of the people in the first quarter of the present century.

Mr. Jackson was maligned with the same fervor of hatred and the same indiscriminating denunciation that has more recently been visited upon a more recent champion of the Democracy who was placed before the people as their champion against the assertions of the aristocratic class. Mr. Jackson, like Mr. Bryan, was a child of the people. He came of respectable but not of aristocratic parentage. The traditions of his family, like those of "Old Hickory" himself, were pious but not puritanical. Early in his life he found himself arraigned against the select few. His sympathies were on the other side. He was and is forever remembered as the friend of the people.

When he took his stand against the national bank and all the privileges which that institution entailed, he was denounced, as Mr. Bryan was denounced, as an anarchist, a theorist and a "crank." Such has ever been the refuge of the plutocracy when oppressed with the exigency of unanswerable argument. Such were the pleas arraigned against Lincoln in his time—Lincoln the rail-splitter, Lincoln the "common man," Lincoln the representative of the "plain people," Lincoln the democrat. They have no greater force, and no less, against Mr. Bryan in the prime of his manhood than they had against the splendid democracy of Lincoln in 1860 or of Andrew Jackson, the hobnailed Tennessean.

All three stand out in history and are to be remembered in this connection for this single fact, that they dared to defy select opinion and to renounce time-honored traditions; to embrace at once the infamy and the glory of being the champions of the people.

The difference between the two sections of our population were well defined by Jefferson in his time and his definition may be accepted in its full force at this day. Jefferson asserted of the public debt in his time "That the public owed it and the North owned it." In this fundamental way be found the basis of the present difference between the two classes.

The Democracy held undisputed sway in the government almost without interruption until the outbreak of the Civil War. That struggle was another conflict between the masses and the classes in which the South, by reason of its traditional affiliations for State supremacy, was found upon the losing side. The South lost. But its loss was more than redeemed by the events which gave to the history of the Republic that great figure now falsely claimed by the Republican party as its own, who stands and must forever stand in the front rank of the great proponents of Democracy—Abraham Lincoln.

Only a fanatic devotee of the new imperialism will make bold to assert that this man, himself of the common people and by every act and every word of his great career a champion of their rights, is identified by word or deed with the party which now holds the reins of power and which dares to assert the supremacy of the few over the many. Mr. Lincoln was a great Democrat. He was a Democrat in the same sense that has given that distinction to Jefferson and to Jackson. His public career, one of the greatest in the records of our Republic, rested in its supremacy upon the assertion that the people are the only and original force from which government is derived. Himself a product of the meanest conditions, he arose early in his public life to a full appreciation of the supreme doctrine that there is no law except that which the people decree. His homely sayings, now familiarly quoted by all lovers of popular government, all tend in this direction. It is perhaps the greatest heresy of our times that these sayings so right, so pregnant of the principles of Democracy, should be cited by the degenerate sons of his party in defense of their undemocratic, their federalistic, their aristocratic breaches of the constitution. The sayings, like their great author, belong to the Democratic party.

The years following Mr. Lincoln's death need no characterization here. They have constituted from their inception a carnival of crime, perpetrated in the name of liberty against the liberties of the American people. In that unhappy struggle which arrayed the States against each other was born the spirit of imperialism, and imperialism begot the new plutocracy. The fever of false patriotism succeeding the surrender at Appomattox has been the excuse for more crimes against the constitution than ever were perpetrated in any period of our history or, God willing, ever will be perpetrated again. Thirty-two years ago, this riot of lawlessness reached its climax in the crime which unseated a President, chose by an indignant people in protest against the lawlessness of that time. To this high-handed act the Democracy, ever careful of the law and the forms of law, submitted rather than provoked a fresh struggle. But the sense of that outrage has survived unto the present time. It was keenly alive twelve years ago when the organized forces of plutocracy again came to the front to thwart the will of the people.

This was a critical time for American liberty. The Democracy found itself arrayed not only against its open foes, but against the more insidious but not less dangerous traitors within its own house. Twenty years of shameless equivocation upon the all-important doctrine of the currency had sufficed to align the American people on one or the other side of this great question: Whether the people should own and control their own money, or delegate that great function to a small but arrogant coterie of bankers. This is the so-called "silver question" of 1896. It had this significant effect: It drove from the ranks of the Democracy all its false friends.

It made the plutocrat, the monopolists and the friends of monopoly avow themselves for what they were. It also gave to the American people the regenerated Democracy of which Mr. Bryan was then and is still the head. It rallied to the standards of popular liberty all those who hated and still hate class legislation, favoritism in government and the discrimination of the law in favor of the few against the many.

One does not hesitate to reiterate these familiar terms because they are the original and fundamental precepts of our governmental existence. They cannot be repeated too often. They found their expression in the platform of the party which convened at Kansas City in 1904.

It has devolved upon the Democratic party at this period of the nation's history to reaffirm the four cardinal truths of free government set forth by Jefferson, the great founder of the party, in the Declaration of Independence:

That all men are created equal;

That all men are endowed with certain unalienable rights, among which are life, liberty and the pursuit of happiness;

That governments are instituted among men to secure these rights;

That governments derive their just powers from the consent of the governed.

These four principles, upon which the Republic was founded and upon whose permanence the integrity of free government depends, stand in greater peril to-day than at any time since they were first declared. The party which has been in power since 1865—since the death of Lincoln—has pursued a course, from that time to this, of uniform hostility to these fundamentals of republicanism in its true sense. That party has steadily led in the encroachment of the few, the rich, the favored, the exclusive, upon the declared rights of the common people. But only within recent years have its leaders reached the summit of their arrogance and dared openly to deny or condemn the principles they have long despised in secret.

It is only within recent years that the American people have heard the equality of men before the law denied by their leaders; the inalienable right to life, liberty and the pursuit of happiness, pronounced a fiction; the purpose of government openly stated to be the extension of trade and territory without regard to rights, and the consent of the governed as a prerequisite to just government sneered at in high places as an exploded fallacy.

Never before, since the days when Hamilton was voicing his contempt for and distrust of the common people, have such sentiments found utterance upon American lips. Never before were the rights of the people in such peril. For, while Hamilton and his fellow Federalists had power only to give verbal expression to their monarchical and plutocratic heresies, their successors, the imperialists of to-day,



have been able and have dared to employ all the machinery of government, the army and navy, the power of the executive, the legislative function, and even the courts give force and effect to their damnable doctrines, both at home and abroad.

Having control of both branches of the Congress, as well as of the presidency, the Republican leaders have used the occasion of a war, begun upon the pretext of humanity, to establish a standing army of such proportions as to menace the liberties of the people. The nation, having by the fortunes of war come into possession of alien territory in both the East and the West Indies, these conspirators have denied the right of citizenship and the protection of the Constitution to those natives who came willingly to our standards. Those who resisted were pursued with fire and sword, American arms being employed in the prosecution of an invasion wholly analogous to that which enlisted the fathers of this republic against the armies of King George III of England. The right has been claimed by Americans thus to enforce a government upon a liberty-loving people without the consent of the governed. The successor in the White House of Washington, Jefferson and Lincoln has sought to exercise monarchical rights over "subject colonies," decreeing one form of government for Caucasians living under the American flag and another for Malays, republicanism for Americans in Florida and a "benevolent despotism" for Americans in Porto Rico.

"To me," wrote Franklin in an often quoted letter to Lord Howe, touching England's policy toward her colonies in American,—*"To me it seems that neither the obtaining nor retaining any trade, how valuable soever, is an object for which men may justly spill each other's blood; that the true and sure means of extending and securing commerce are the goodness and cheapness of commodities, and that the profits of no trade can ever be equal to the expense of compelling it and holding it by fleets and armies. I consider this war against us, therefore, as both unjust and unwise, and I am persuaded that cool and dispassionate posterity will condemn to infamy those who advised it, and that even success will not save from some degree of dishonor those who voluntarily engaged to conduct it."*

The American imperialists do not shame to plead trade and commerce in justification of their aggression in the Philippines or their denial of justice to the Porto Ricans.

An era of brutal aggression for the sake of wealth seems to possess the earth. England, inspired by her own plutocrats and imperialists, engaged in an unholy war to throttle the gallant republic of South Africa, giving to the Boers the same taste of "Anglo-Saxon civilization" that our imperialists are holding to the lips of the struggling Filipinos. And the patriots of both nations have had to hang their heads while Christendom pointed the finger of well-deserved scorn at the spectacle. For Americans who love their country the disgrace has been made more poignant by

the undeniable sympathy and abettance accorded by their own chosen rulers to the enemies of a sister republic in distress.

The conspiracy has spanned the ocean. In America, as in England, the cynical apothegm of Cecil Rhodes has become the new charter of rights: "The flag is a commercial asset." With us militarism and plutocracy have all but abandoned pretense. The full malignity of their purpose now stands revealed. Wars of aggression in distant islands are to be but the prelude to a steady war of oppression at home. The standing army raised to persecute the Filipinos is to be maintained to check the righteous protests of American labor against the despotism of monopoly and enforce the supremacy of organized wealth. In the Coeur d' Alene, as an illustration, this purpose was disclosed. In partial return for the money with which his office was purchased, the President was forced to send the army of the United States into a peaceful district, suspend the Constitution and substitute a ruthless martial order for the civil law.

In a hundred other ways less openly violent, but no less menacing to the popular liberties, the same power manifests itself with increasing boldness. The last fifteen years have witnessed the subjugation of American industry to a new and insidious form of monopoly. The price of virtually all the staples of life has been removed from the domain of supply and demand and been made a creature of the greed or caprice of individuals who defy at once the protests of their victims and the law.

The agents of these new giants of industry invade the halls of Congress and fix the terms of legislation. Even the White House is not closed in their faces.

Seeing these infamies practiced at home and abroad in the name of patriotism and the "old flag," we realize what Dr. Johnson meant when he spoke of patriotism as "that last refuge of scoundrels." The standard of the Republic has been used to stimulate the "war spirit" and mask the sinister purposes of its worst enemies. Greed for new territory and new wealth has justified any and all means by which they can be obtained. The lover of his country who has dared to call a halt to this headlong course has been denounced as "traitor" and "copperhead." "Everywhere," said Sir Thomas Moore, describing a state of affairs not wholly unlike the present, "do I perceive a certain conspiracy of rich men seeking their private advantage under the name and pretext of the Commonwealth."

Happily for the Republic, the Democracy has been neither blind to these perils nor daunted by their magnitude. To the present situation the Party of the People brings the experience of a full century and the record of more than one victory over the power of monopoly and organized greed. It is a hundred years since Thomas Jefferson, having aroused the friends of human rights and civil liberty, led them to victory at the polls. The American Democracy, thus organized into a party, lived

upon the impetus given by its great founder until a new champion was found, in Andrew Jackson, to lead its hosts against a new enemy. The National Bank marshaled in aid of its gigantic monopoly a host of politicians, subsidized newspapers, financiers and wealthy men of business, as powerful, as arrogant and as contemptuous of popular rights as is the similar army which swarms to the support of the administration now in power.

But the genius of Jefferson, reinforced by the courage and sagacity of his great successor, once more sufficed to rally the hosts of the people. The contest which ensued was the bitterest known in American politics, but the result was never really in doubt. In the end the victory came, as it always must, to "human rights against inhuman greed." In the message accompanying his veto of the National Bank act, President Jackson used these words, which recur with startling force at this time:

"In the full enjoyment of the gifts of heaven and the fruits of superior industry, economy and virtue, every man is equally entitled to protection by law; but when the law undertakes to add to these natural and just advantages artificial distinctions, to grant titles, gratuities and exclusive privileges, to make the rich richer and the potent more powerful, the humble members of society—the farmers, mechanics and laborers—who have neither the time nor the means of securing like favors to themselves, have a right to complain of the injustice of their government. There are no necessary evils in governments. Its evils exist only in its abuses. If it would confine itself to equal protection, and, as heaven does its rain, shower its favors alike on the high and the low, the rich and the poor, it would be an unqualified blessing."

The struggle has never ceased from that day to this—the struggle of the dollar for mastery over the man. Lincoln himself had it in mind when he warned the country of a "greater conflict" to follow the fall of black slavery, in which a new and no less hateful serfdom would menace the poor. It was during his first administration that he wrote:

"Monarchy itself is sometimes hinted at as a possible refuge from the power of the people. In my present position, I could scarcely be justified were I to omit raising a warning voice against this approach of returning despotism. Is it not needed or fitting here that a general argument should be made in favor of popular institutions, but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above, labor in the structure of government."

Thus the encroachments of the plutocracy upon the rights of the common people are not a new or an unreal danger. They have been recognized and com-



bated from the beginning of the Republic by its wisest and most patriotic leaders. That they are more real and more menacing to-day than ever before is a natural evolution of the years of Republican ascendancy following the civil war. From that time until the present, the party of special privilege and plutocracy held undisputed control of the federal government, virtually unbroken by the interregnum of false democracy under Grover Cleveland.

During this period class legislation became the order of the day, and wealth not only sought favors from the government, but secured exemption from just burdens. When war taxes were to be reduced, the taxes bearing upon the rich were taken off first. The income tax was repealed in the face of protests even from the more conservative members of the ruling party. High duties were placed upon the necessities of life on the ground that infant industries required assistance, with the result that the owners of the aided industries grew rich, while home-owning decreased and tenancy increased among the consumers. Railroads were constructed upon a plan which permitted watered stock, fictitious capitalization and the over-issue of bonds, with the result that the patrons of the road became the victims of extortionate rates and the manipulators of the roads became suddenly and enormously rich.

All financial legislation was in the interest of bondholders and the creditor class. Government contracts were boldly altered to that end. In 1873, a change was made in the standard money, so wanton and indefensible that scarcely any public man connected with that outrage has been willing to admit it since, and every party convention for twenty-three years has given excuse for the restoration of the double standard.

The Democracy forced the issue in 1896 by taking a positive and unequivocal position in favor of the immediate restoration of bimetallism, without regard to the other nations, at the legal ratio. This action had the happy effect of driving the false Democrats out of the party and forcing the Republicans to throw away duplicity and align themselves openly, where their leaders have always really stood,—with the British gold standard. There is no longer even a pretense in the camp of the plutocracy of intent to redeem the pledges of many years and give effect to repeated promises to restore silver to its lawful place.

Openly now, and without reserve, the Republican party is the party of the creditor class, at whatever cost to the common people. The people no longer figure in their plans or councils. Having taken another step toward the gold standard, and having provided for the substitution of bank notes for greenbacks, they now have passed an act by which the banks can at their wish issue from time to time, as they deem most convenient for their purposes, "Emergency Currency."

To meet these manifold perils the Democracy is better prepared than ever before because all the trust magnates, monopolists and false prophets have left its ranks and arrayed themselves openly with the enemy. More clearly than ever the issue is defined between the people and those who seek to oppress and exploit them. Monopoly, imperialism, special privilege and class legislation are the standards raised on one side; on the other the Democracy takes its stand, confident as ever in the virtue, the intelligence and the resistless power of the American people.

## CHAPTER XII

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### THE PROHIBITIONIST PARTY

*The Party in History—The Convention—The Platform—Life Sketches of the Candidates—A General Resume of the Great Fight Against the Saloons by the Prohibitionists—Anti-Saloon Leaguers and Local Optionists, etc, etc.* by Norman B. Wood, the well known author and temperance lecturer also a delegate to the National Prohibition Convention at Columbus, Ohio.

If General Neal Dow of Maine is the *father* of the Prohibition Party, General James Appleton might be called the *grandfather*, from the fact that to him Neal Dow was largely indebted for his ideas.

General Appleton introduced a memorial in the Maine legislature demanding "the entire prohibition of all sale except for medicine and arts." This was acted on favorably by a committee.

In 1838 a committee of the Legislature of New York reported that "A law to prohibit the traffic in ardent spirits as a beverage is as necessary as a law to prevent gambling, brothels, and other public nuisances."

The Prohibition party was formed by a convention which met on the first day of September, 1869, in famous old Farwell Hall in the City of Chicago. James Black of Pennsylvania, was the permanent chairman.

There were nearly five hundred delegates present representing nineteen states and the District of Columbia.

The most important action taken at this time, was the issuing of a call for a National Prohibition Convention, to meet at Columbus, Ohio, Feb. 22nd, 1872.

This first National Convention met as announced, and organized by electing S. B. Chase of Pennsylvania permanent chairman.

James Black of Pennsylvania was nominated for president, and John Russell of Michigan for vice president.

Mr. Russell on taking the chair spoke briefly stating that "The object of our meeting is to organize to support an independent political party, advocating among its most important measures, the prohibition of the importation, manufacture and sale of all intoxicating drinks."

At this first National Convention they seemed to have had some difficulty in selecting a name, for the new born party.



Gerrit Smith of New York, the noted Abolitionist, suggested "The Anti-Dram Shop Party," and urged that name eloquently. Others offered a resolution adopting the name, "The National Temperance Party." But on motion of John Russell, the name "National Prohibition Party," was adopted.

The Honorable Gideon T. Stewart of Norwalk, Ohio, closed his eloquent address of welcome by saying, "The dramshop is the supreme political power of the nation, and before it rulers and people, parties and politicians, bow the knee in servile homage, and base subserviency. Our Republic is fast verging to the precipice over which all the old republics reeled in destruction. It must be speedily saved, or it will be swiftly lost.

"You have come with the *only* standard unfurled that can rescue the Republic and save the people, that of the total prohibition of the manufacture, importation and traffic of intoxicating beverages, as high crimes against God and man.

"You come on this day sacred to the memory of him who was 'First in war, first in peace, and first in the hearts of his countrymen,' whose life illustrated, and whose name has consecrated your cause. You came to this city which bears the name of one of the most renowned of the world's benefactors, whose moral courage should inspire your efforts. In the name of the fathers of the Republic whose mission you have come to fulfil; of the suffering millions whose prayers and tears incite your action; of our country in danger; of religion whose sabbaths are profaned, and whose altars are trampled down, we bid you welcome to your patriotic labors. *Welcome, thrice welcome!*"

The second National Prohibition Convention assembled at Cleveland, Ohio, May 17th, 1876, with H. A. Thompson of Ohio, permanent chairman. They nominated General Green Clay Smith of Kentucky for President, and G. T. Stewart of Ohio, for Vice President.

On June 17th, 1880, the third National Prohibition Convention was also held at Cleveland, with A. A. Minor, D. D. of Massachusetts, permanent chairman. At this time, the ticket named was General Neal Dow of Maine, and H. A. Thompson of Ohio, July 23rd, 1884. The fourth National Convention held at Pittsburg, chose Professor Samuel Dickie of Michigan, for permanent chairman and nominated John P. St. John of Kansas for President, and Wm. Daniel of Maryland, for Vice President.

The fifth National Prohibition Convention held at Indianapolis, Ind., May 30th, 1888, elected John P. St. John of Kansas, permanent chairman, and nominated a ticket consisting of General Clinton B. Fisk of New Jersey for President, and Reverend J. A. Brooks of Missouri for Vice President.

The sixth Convention was held in Cincinnati, Ohio, June 29th, 1892, with

Eli F. Ritter of Indiana, permanent chairman and nominated General John Bidwell of California, for President, and Dr. J. B. Cranfill of Texas for Vice President.

The seventh Convention assembled May 27th, 1896, at Pittsburg, Pennsylvania, and resulted in the choice of Oliver W. Stewart of Illinois for permanent chairman, Honorable Joshua Levering of Maryland, for President, and Hale Johnson of Illinois, for Vice President.

The eighth Convention held June 27th, 1900, at Chicago, Illinois, elected Professor Samuel Dickey of Michigan, permanent chairman, and nominated Honorable John G. Wooley of Illinois, for President, and H. B. Metcalf of Rhode Island, Vice President.

The ninth Convention, held June 30th, 1904, at Indianapolis, Indiana, resulted in electing Honorable A. G. Wolfenbarger of Nebraska, permanent chairman, and in the nomination of Dr. Silas C. Swallow of Pennsylvania, for President, and G. W. Carroll of Texas, Vice President.

The tenth and last National Prohibition Convention was held at Columbus, Ohio, July 15th, 1908. At this time Professor Chas. Scanlon of Pittsburg, Pennsylvania, was elected permanent chairman, and Honorable Eugene W. Chafin of Chicago, Illinois, was nominated for President, with Professor Aaron S. Watkins, of the Ohio Northern University, at Ada, Ohio, for Vice President.

The Convention at Columbus was in many respects, the most remarkable in the history of our party.

It is doubtful whether so large a body of people, every one of whom was *sober*, ever assembled.

There were 1200 delegates present, to say nothing of the visitors, representing forty states, one territory, and the District of Columbia. Each brought glowing and enthusiastic accounts of the spread of prohibition sentiment in their respective localities.

There was a remarkable spirit of unity and harmony prevalent. Each one with whom we conversed believed we would have the largest attended, most enthusiastic and harmonious convention in the history of our party, and we *had it*. Each prophesied we would get a tremendous vote this Fall, in fact elect our issue this time, and a president in 1908, and we can do it. Honorable Robert Patton of Springfield, as temporary chairman, made the key note speech of the convention. The speaker was at his best and electrified his audience especially after he got his coat off. We regret that limited space will only admit of quoting a few brief paragraphs. Said he, "This is the hour for supreme effort. We must go forward or go backward. The lack of political organization has lost us many a prohibition

state and local victory heretofore, and only as we push the fight can these victories be made secure.

"The great strongholds of the enemy are not yet besieged. The traffic is still entrenched with its millions of corruption funds, and backed and aided by all the political rascality of the age. It must be dislodged. This can only be done at the ballot box. It is a battle of the ballots. All the enemies of the saloon must stand together. Outside of our party there is no rallying place. Here let us warmly welcome every foe of the saloon north and south, east and west, until in this grand fight for humanity we forget all our differences and stand together in the common defense of our homes.

"The cause needs such a national party and the country needs it." \*\*\* "The best tribute to the cause of prohibition is that it has the united and strenuous opposition of every dram seller in the land, and the weakness of all other methods is that they are preferred by the trade to prohibition.

"With what strides and leaps and bounds our hosts have been marching on the enemy. Less than one year ago the State of Georgia passed her prohibition law. Following that act the national organ of the wholesale liquor dealers declared that the trade had lost its opportunity to stop the prohibition wave which was sweeping over the country like a prairie fire; that they might as well try to stop the Hudson River with a whisk broom. Since that editorial was written, Alabama Oklahoma, Mississippi, and North Carolina have declared for state prohibition and Missouri and Illinois have won local victories which cheer our hearts."

When Professor Aaron S. Walkins, was making his eloquent address of welcome to the Convention, we remarked to a fellow "pencil pusher." "He would be good timber for the second place on the ticket." "Yes," he answered, "or first place either."

When Mr. Chafin was making his wonderful speech which electrified the vast audience, we remarked to the same reporter at our elbow: "I believe that speech will stampede the Convention and give him the nomination." And it had exactly the same effect for Mr. Chafin, as did Mr. Bryan's "cross of gold, and crown of thorns" speech in the Chicago Convention about twelve years ago. And yet the statement is often made, that oratory is shorn of its power by the press.

After raising a campaign fund of \$17,892.30 in addition to the large sum already in the treasury, and sending greetings to all the former candidates for President or their widows, the Convention proceeded to nominate candidates for president and Vice President.

Fred F. Wheeler of Los Angeles, California, was the first man presented to the convention. He was nominated by James H. Woertendyke, chairman of the



California delegation. His speech was a plea for the party rather than for his candidate. His chief argument for Mr. Wheeler was that what the party needed was a man who would unite the party, the Anti-Saloon league, the W. C. T. U. and all other temperance organizations. which is very true.

Colorado yielded its place among the states to Texas and Charles S. Pierce of the Howard Payne college of that state, who won the first prize in the inter-collegiate prohibition oratorical association, placed the name of Dr. J. B. Cranfill of Dallas before the convention. Mr. Pierce in his nervous zeal dropped a remark that set the delegates to laughing uproariously. He said: "Fifteen years ago, when I was a child in a humble home," but was interrupted. The delegates laughed and shouted to know how old the speaker was. He referred to Dr. Cranfill as a product of the new South. In his veins flowed the blue blood of the chevalier and from a bronco buster on the plains of Texas 20 years ago, he had risen to high places. He predicted a solid South for his candidate.

Oliver W. Stewart made the speech for Daniel R. Sheen of Illinois. "He lives in Peoria, the greatest whisky city in all this land," said Stewart. He told how his candidate had won a case in the courts for the dispossession of the Rock Island railroad of land given it by the city of Peoria, how yesterday the big corporation was tearing up its tracks laid on his land, how he had been elected to the legislature by his distillery city and had come near election to the mayoralty.

L. L. Picket of Louisville, Ky., a book publisher, came very near the honor of naming the presidential candidate when he proposed the name of Dr. W. B. Palmore of St. Louis. His speech was one of the high spots of the convention. In part he said, "I want to name a Southerner who will lead our hosts nearer the presidential chair than any other man we can name. He was born in Tennessee, raised in Missouri, fought, bled and died for his country as a confederate soldier and arose to fight for it again, as the candidate of Prohibition party, which knows no South, no North, no East, no West. I was recently informed that they are selling whisky in coffins in Maine and that in Kansas every time you meet a man with a cork leg; all you have to do is to give him the sign and off comes the cork leg and out of it a bottle. Thank God we have got the liquor traffic on its cork leg in Kansas and in its coffin in the state of Maine."

Then he referred to a scathing editorial of Dr. Palmore in his paper, *The St. Louis Christian Advocate*, which he said was hearkened to in the White House at Washington and brought about changed conditions. He said the nomination of Dr. Palmore would be a bid for the votes of the 5,000,000 Methodists of the country. He spoke of his founding the Palmore School for Boys in Japan and the Palmore Institute in Mexico. He said he had not been used by the anti-saloon league as

charged but had used the league. He closed with an appeal for Palmore, peace and prosperity.

Prof. Samuel Dickie of Albion put Joseph P. Tracy, the Michigan candidate, before the convention, dwelling on his opposition to race suicide in being the father of eight children, and on his record as a successful business man.

A. G. Wolfenbarger of Lincoln, Nebraska, was put forward by the party leaders to name the dark horse. "This most unbossable of all prohibition conventions should name a candidate who represents the people of the whole United States. I shall present this candidate, one who will persuade you to put aside the idols of the hour. Nebraska has a candidate who is not from Nebraska but is the favorite of more than 20 states on this floor. The incomparable platform you have adopted was written by him. every paragraph, word and syllable. I name the knight of the new crusade, Eugene W. Chafin of Illinois."

Massachusetts and Oklahoma led the cheering, in which other states joined, but Illinois, committed to Sheen, was silent.

Alfred L. Manierre of New York was presented to the convention by Dr. Charles H. Meade of New York. The doctor was funny. He said: "I don't stand here to show you how eloquent I am. You have had some wonderful speeches but I could lay them all out if I wanted to. I can't help it if I was born handsome. What are you all laughing at? I am here to speak for New York state, the state I love. New York never came to a national convention of our party with a candidate before. I want to present a young man 47 years old. He was born in New York City, grew up there amid temptations, clean, pure and straight. As a lawyer he stands high. It was his wonderful brief or some vicious legislation by the New York legislature that last winter caused Governor Hughes to exercise his veto."

At the conclusion of the speech, the New York delegation started its Manierre song and yell which had been saved for the moment. The song started, "We're here because we're here, because, we're here because we're here. We're here to name, We're here to name, we're here to name Manierre."

North Carolina yielded to the District of Columbia, which gave Carrie Nation, as the delegate from the District, a chance to speak. She insisted the nominee must not use tobacco, but did not put a candidate in the field.

Seconding speeches were made for Palmore by M. A. Waterman of Kansas; took him to the platform, but it did no good. Standing with Old Glory thrown about his shoulders, his delegation and close friends pleading with him, with Mr. Chafin, his successful opponent hold of his hand, beseeching him to run with him, and with the secretaries singing "Way Down South in Dixie," he declined until

Chairman Scanlon reluctantly announced that Dr. Palmore declined and the convention must get to work on another vice presidential nomination.

After Dr. Palmore's refusal an effort was made to adjourn the convention to 8 o'clock, but this was blocked by O. W. Stewart of Illinois and H. F. McLane of Ohio.

Then Stewart proposed the nomination of Clinton N. Howard of Rochester, N. Y., "The Little Giant," for second place, and asked that it be by acclamation. But many of the delegations objected. They wanted a Southern man. National Treasurer Felix T. McWhirter declared it was not the fault of the convention if it didn't have a Southern man on the ticket; that it had named one and he had declined; that the South couldn't blame them for that.

Then Stewart withdrew his motion and made another to suspend the rules so that nominations could be made without ballots by states, which was carried.

Colonel T. B. Demaree of Lexington, Ky., made a speech at this point which won for him a nomination for the vice presidency a little later. He shamed the feeling that the South would not stand with the party if it did not get a Southern man on the ticket. He said the South was for prohibition, no matter who ran.

Then H. F. McLane of Hiram, in a brilliant speech, which he started while spectacularly mounting the platform steps with his long arm held in the air for silence, flashed the card which the Ohio delegation had up its sleeve, and with it won the game in which it had taken a seat for the sake of Aaron S. Watkins of Ada. McLane declared that Ohio had asked for nothing. He said:

"Yesterday you listened to the burning words of eloquence from one of our favorite sons. Ohio has been the battle ground of prohibition and Ohio wants to name one of the cleanest, noblest men who ever lived, for the vice presidency. A man who knows no North, no South, no East, no West. I name Aaron H. Watkins of Ada, our candidate for governor."

The name of Watkins was received with cheers of enthusiasm for the delegates had not forgotten his great speech of the opening session.

It was that matchless orator and wise politician, O. W. Stewart of Illinois, who seconded the nomination of Mr. Watkins. He said, "The Prohibition party ought to learn to play the game of politics. Here is Ohio with a candidate for the presidency on the Republican ticket and a fight on in that party. It is mighty good politics for us to put on our ticket this clean Ohio man so that we can go to the voters and say, here we have an Ohio man, who is worthy of your support."

Then followed seconding speeches from the floor by members of the New York, California and North Carolina delegations.

Some one placed the name of Colonel Demaree before the convention and



then Felix T. McWhirter named Charles F. Holler of South Bend, Ind. Fred F. Wheeler was named but declined to run.

After some squabbling as to the best method to save time among the delegates, who were in a hurry to get away, during which they demonstrated the truth of the old saw, "more haste, less speed," by haggling over the question when they might have been voting, the secretary announced that a ballot would be taken by states.

It was a cakewalk for the Ohio man. With 585 of the 752 votes cast, while all he needed was 377, Watkins distanced his two opponents with hardly enough opposition to make the fight interesting. Demaree got 126 and Holler 41. Ohio divided its vote, 30 to 30, between Demaree and Watkins, because some of the delegation were loath to give up Watkins as a candidate for governor. Watkins polled the votes of all the larger delegations. His nomination was made unanimous on motion of Colonel Demaree.

He was escorted to the stage, where an informal reception was held, which equaled that of the nominee for the presidency. Professor Watkins was kept busy for more than an hour shaking hands with the delegates. In accepting the nomination, he said:

"I am going to thank you for the honor as well as I can. I have been using my voice all afternoon for Palmore. I will try and express my profound gratification. I would rather be second choice for second place on this ticket than first choice for any other first place. I would rather be a servant in the house of prohibition than head of the procession in the party of the saloonkeeper. I thank you for the honor. Whatever else I can do for the good of humanity and the glory of the King of Kings I will do."

#### PLATFORM BRIEF; IS FOR EQUAL SUFFRAGE—WOMEN NOT MENTIONED BUT EDUCATIONAL TEST IS PROPOSED BASIS

A declaration of principles for their 1908 campaign, which will be known in the history of the Prohibition party as their "postal card platform," was adopted by a viva voce vote, amid cheers accompanied by the waving of handkerchiefs, flags, banners and hats.

The feature of the platform is the suffrage plank, which is a victory for the advocates of woman's suffrage. The platform places all suffrage on an educational basis. It was predicted freely by some that the party would reject woman's suffrage, but Reverend Robert Arthur Elwood of Leavenworth, Kan., the platform builder of the Sunflower delegation, and others, won the day for the women. It was Reverend Mr. Elwood, who not satisfied entirely with the wording of the

plank, demanded from the floor to know if the understanding of the chairman of the committee was that the plank meant woman's suffrage. When assured that it did, he sat down, amid prolonged cheering for the platform and for Elwood.

It was past noon when the chairman of the resolutions committee, Samuel Dickie of Albion, Mich., arose to read the platform. The delegates were impatient and so the announcement that it would be a postal card platform of just 321 words, was greeted with cheers. Mr. Dickie declared the platform was not a stump speech in the guise of a platform. He cautioned the delegates that each man could not have just what he wanted and urged them to adopt the report of the committee as a whole. There was no minority report.

### TEXT OF THE PLATFORM

The Prohibition party of the United States, assembled, in convention at Columbus, Ohio, July 15th and 16th, 1908, expressing gratitude to Almighty God for the victories of our principles in the past, for encouragement at present, and for the confidence of early and triumphant success in the future, makes the following declaration of principles and pledges their enactment into law when placed in power:

1. The submission by congress to the several states of an amendment to the federal constitution, prohibiting the manufacture, sale, importation, exportation or transportation of alcoholic liquors for beverage purposes.
2. The immediate prohibition of the liquor traffic for beverage purposes in the District of Columbia, in the territories and all places over which the national government has jurisdiction, the repeal of the internal revenue tax on alcoholic liquors and the prohibition of the interstate traffic therein.
3. The election of United States senators by direct vote of the people.
4. Equitable graduated income and inheritance taxes.
5. The establishment of postal savings banks and the guaranty of deposits in banks.
6. The regulation of all corporations doing an interstate commerce business.
7. The creation of a permanent tariff commission.
8. The strict enforcement of law instead of the official tolerance and practical license of the social evil which prevails in many of our cities, with its unspeakable traffic in girls.
9. Uniform marriage and divorce laws.
10. An equitable and constitutional employers' liability act.
11. Court review of postoffice department decisions.

12. The prohibition of child labor in mines, workshops and factories.
13. Legislation basing suffrage only upon intelligence and ability to read and write the English language.
14. The preservation of the mineral and forest resources of the country and the improvement of the highways and waterways.

Believing in the righteousness of our cause and in the final triumph of our principles and convinced of the unwillingness of the Republican and Democratic parties to deal with these issues we invite to full party fellowship all citizens who are with us agreed.

Great enthusiasm marked the vote for the adoption of the platform. All the delegates and spectators arose and cheered.

#### NOMINEES COME FROM FARM—BOTH LAWYERS, BUT WATKINS DID NOT STICK TO PROFESSION

Like many others nominated for president of the United States, Eugene Wilder Chafin, the Prohibition nominee, comes from the farm. And like other nominees, he is a lawyer with a record of success behind him. For seven years he has been a resident of Chicago and now is the candidate of his party for governor of Illinois. Before going to Chicago, he lived at Waukesha, Wis., and he was no less popular in his party in that state, for there he also was honored with the gubernatorial nomination. That he met defeat did not discourage him a whit in his great and thorough belief in the final triumph of the Prohibitionists. He was as happy as a boy on a farm in the good old summer time when he was nominated for the presidency; he could not have seemed more pleased had he been assured of election in November.

Born on a farm near East Troy, Wis., Nov. 1, 1852, he grew to young manhood there and by money he earned and saved through work on a neighbor's farm, paid his way through the University of Wisconsin, from which he received the degree of bachelor of laws. Then he went to Waukesha, where he practiced law twenty-five years and although it might have been expected this his light would have been hidden there, he arose to prominence in his profession. He appeared before the supreme court of Wisconsin in fifty cases.

He had been quite active as a lawyer in Chicago also. Last winter, when the United Societies of Chicago, comprising the saloonkeepers and liquor interests, got up petitions signed by 175,000 people, urging the election commissioners to submit to a vote, the question whether the state law on Sunday closing should be repealed, which question in reality was whether it should be enforced, the Prohibi-



tion party immediately attacked the proposal, saying that the enforcement of a law was not a question to be submitted to vote and won out in its contention, with Mr. Chafin as their leading attorney.

Nominations for governor have not been the only ones received by Mr. Chafin, for he was nominated for attorney general and congress both in Wisconsin and Illinois. In both states he was active in the society of Good Templars, a total abstinence organization, and in both states was accorded the highest honor, that of grand chief templar. Although a Prohibitionist only since 1881, when he left the Republican party, he always has been a total abstainer. For years he has been a member of the Methodist Episcopal church. He is a former state president of the Epworth league in Wisconsin, two terms, besides filling the position of Superintendent of a Sunday School five years, and those of trustee and steward about twenty-five years.

The Prohibition nominee is the son of Samuel E. and Betsey (Pollard) Chafin, and it is a remarkable fact that his ancestors on both sides, as far back as he can trace them were total abstainers both of alcoholic beverages and tobacco. Moreover he comes of a large family including six brothers and six sisters, and the same rule of total abstinence will apply to all of his brothers and brothers-in-law.

Mr. Chafin is a writer quite well known, and has written "The Voters' Handbook," in 1876; "Lives of the Presidents," in 1896; "Presidential Cabinet History Cards," in 1907; while a new book "Lincoln the Man of Sorrow," which he wrote is just from the press.

In fact he is considered one of the very best authorities on Lincoln in the country, and has collected fifty lives of that great *Prohibition* President (for so it is claimed by our party) and one hundred and fifty lives of Washington.

On Nov. 24th, 1881, he was married to Miss Carrie A. Hawkins, of Waukesha, Wis., and has a daughter, Miss Desdemona Eleanor, 15 years of age. The family resided at 326 Eastwood Avenue, Chicago, but spend their Summers at the old homestead near East Troy, Wisconsin.

As Mr. Chafin left the hall, the high esteem in which he is held by the delegates who honored him was demonstrated in unmistakable signs.

His nomination for the governorship of Illinois has not been ratified at the state primary as the law provides. He was placed in nomination at the recent state convention of his party but would not have been declared the official candidate of the state prohibitionists until Aug. 8th.

Mr. Chafin is very popular among his neighbors, and by whom he is familiarly called "Genial 'Gene," in token of his optimistic disposition.

About a hundred of these neighbors, of all shades of political faith, gathered

in to extend their greetings and congratulations. Among them was an Irishman who has been a loyal democrat for many years. In extending his greetings he remarked that he thought "the people should elect Bryan and 'Gene both. Bryan President of the land and 'Gene President of the water."

Mr. Chafin began his Presidential campaign in a mass meeting at Evanston, Illinois, July 21st at 8 P.M. in which standing room was at a premium, and a number of men professed themselves as converted to the principles of prohibition, as the only true solution to the problem of the drink traffic. On this occasion the speaker said in part. "I did not go to Columbus with the expectation of being nominated. I was ambitious to be governor of the good state of Illinois. In fact, had made a three month's campaign, and had the babies kissed all the way from Cairo to Springfield.

"The Prohibition party ran its first candidate for president in 1872, when a majority of the voters in but one state, Maine, favored the principles of prohibition. Today there is hardly a state in the union in which a majority of the voters does not believe in the principles of the entire prohibition of the manufacture and sale of liquor.

"The principal work of this campaign must be to educate the voters to give their votes to a political party pledged to carry out this reform. The question of prohibition is distinctly political, and in order to carry out that policy, and to enforce the law, the efforts of all officers are required. These officers are elected through political parties, and prohibition therefore becomes emphatically a political party question.

"Many temperance people urge that we should keep this matter out of politics. These same people are voting the republican and democratic tickets with a personal liberty plank in the platform, by which directly or by reaffirmation a declaration is made in favor of the saloon. Their ideas seem to be that if a political party declares in favor of the liquor traffic that makes it a nonpartisan question, but if a political party declares against the liquor traffic that means taking it into politics.

"The Columbus convention has given the country the only political platform this year in which a majority of the people believe. We have presented the only platform that one voter in a thousand will read.

"The Democrats and Republicans have held their conventions, and the average voter is not able at this moment to understand what the issue is. It will take speeches of acceptance by Mr. Taft and Mr. Bryan to make up some issues, and when they are made up we are certain they will be fictitious issues.

"Twelve months ago few people thought it would be possible to carry five great Southern states for prohibition before the opening of the presidential campaign,

but this was done. It is just as possible for a majority of the people in a majority of the states to come to a right conclusion and act thereon before the third day of November.

"It is imperative to have a party behind Prohibition laws to enforce them. Too long we have waited for parties who do not believe in prohibition, to enforce Prohibitory laws. In Iowa the legislature passed a Prohibition law and adjourned. When the next legislature assembled, the republicans looked at the Prohibition baby and said 'We are not the father of it.' The democrats said 'Neither are we the mother of it.' So it was fed like other orphan babies-on the bottle, and this time it was a whisky bottle, and the kid died. But when the Prohibition party passes a law, they are willing to be both father and mother to the infant."

Dr. Aaron S. Watkins of Ada, Ohio, the Vice Presidential candidate of the Prohibition party is of Quaker ancestry, and like the head of the ticket, is a product of the farm. His parents William W. and Rebecca Elliott Watkins, are faithful members of the Methodist Episcopal Church, and of course the son was brought up in the same faith. The subject of this sketch was born in Logan county, Ohio, near the town of Sushsylvania, Nov. 29, 1863. He was educated in the common schools and at the Ohio Northern University at Ada, where he graduated in 1886. and at Taylor University, Upland, Indiana. He taught public school six years. Studied law four years in the office of his brother Judge C. W. Watkins of Huntington, Indiana, and admitted to the bar in 1887. Not finding the law congenial to his taste he abandoned it and entered the ministry, joining the Central Ohio Conference in 1893. He has held successful pastorates at Continental, Ottawa, Edgerton, Delta, and North Baltimore, Ohio. In 1905 he was called to the chair of literature and philosophy in the Northern University, which he has filled very acceptably three years. At the last meeting of the board of trustees, he was elected vice president of the University. In 1890 he was married to Miss Emma L. Davis, a popular lady teacher, of East Liberty, Ohio. They have one son, Willard Merrill, named in honor of Francis Willard, age 10. Mr. Watkins was brought up a republican, and always voted that ticket, until he entered the ministry in 1893. He was a candidate for the legislature in Fulton county, while pastor at Delta in 1902. The following year, 1903, he was nominated for congress, and polled over 1,100 votes, the largest ever given in the Ninth District. In 1905 he gave the key note address at a state convention held at Columbus. Prior to the delivery of this great speech, the impression prevailed that John B. Martin of Cincinnati, would be nominated, but the delegates soon became convinced that A. S. Watkins was the man of the hour, and gave him a unanimous nomination for governor. This was the year of the Herrick and Pattison campaign, when the people were



determined to rebuke Herrick, for his attitude on local option, and thus answer his question, "What are you going to do about it?" In spite of this fact he received the usual Prohibition vote, having gained several thousand new converts to take the place of the old line prohibitionists, who were carried off their feet by the stampede against Herrick. This year, the Ohio State Prohibition Convention, at Columbus again nominated Dr. Watkins for governor. But fate had decreed otherwise. "There is a destiny that shapes our ends rough hew them as we may." The national convention came along several days later, looked upon the stalwart cold water advocate, investigated his record and said we must make him Vice President.

Three candidates were in the field: Professor Watkins, T. B. Demaree, of Kentucky and Chas. S. Holler, of Indiana. Professor Watkins was nominated on the first ballot by an overwhelming majority and his nomination was later made unanimous. Chafin and Watkins is the cry from the cold water ranks now and we predict a vigorous, active campaign in which the Prohibitionists will roll up the biggest vote of their history.

And we'll vote for Eugene Chafin  
 And for Dr. Watkins too,  
 Drive the rum fiend from the poor man's door,  
 And we'll wake the cry of freedom  
 As our Fathers used to do,  
 And justice will protect us evermore.

We will quote Stanton's nominating speech: Mr. Chairman and Gentlemen of the Convention: Upon me has been conferred the honor of placing before this convention the name of the man, whom, in the judgment of a host of Ohio prohibitionists, is the popular chieftain to lead our ranks to certain victory next November.

In nominating a Prohibition candidate for governor of this great commonwealth of Ohio, extreme care ought to be exercised at this particular time. Ohio is standing on the threshold of a new era. The tide of prohibition is rising, and I expect in the next five or ten years to see the last saloon door in this, my native state, forever closed.

It is said that in the Bay of Funda the tides sometimes rise to the perilous height of seventy feet, higher than in any other bay in the world. I believe the time is coming when Ohio will be a veritable Bay of Funda, with the prohibition tide so high that every cupola, flagstaff and skylight of every brewery and saloon will be overwhelmingly inundated. Do you know that already 1,155 townships out of 1,370 are under prohibition? 500 municipalities have outlawed the saloon. Since April 1st over fifty towns have voted out the drink curse. Do you know that

right here in Columbus a big brewery combine was formed two years ago with \$3,000,000 common stock, \$3,000,000 preferred stock, and \$5,000,000 bonds issued, and since then the stock and bonds have tumbled downward month by month until now these bonds can be brought for forty-eight cents on the dollar, the preferred stock for twenty-five cents and common stock for two and one-half cents? No wonder they are anxious to reform the saloon business and are changing the name of saloon to "buffet," "café," "restaurant," etc.

Now, gentlemen, in the face of this rising public opinion in favor of prohibition and in consideration of other problems that must be met and solved under prohibition, we ought in this convention be moved by the highest wisdom and soberest judgment in selecting a candidate to lead us in this campaign. Three things ought to characterize him.

1. He ought to be a prohibitionist from the crown of his head to the soles of his feet, from his breast bone clear through to his back bone. We cannot compromise by endorsing any man's candidacy who is allied in other things with any other party. It was settled by the national convention four years ago that no man not a party prohibitionist can be nominated by the Prohibition party. A man may be ever so good a temperance man at heart, but if he has a Democratic or Republican heart he has no business trying to serve two masters by accepting a nomination at the hands of the Prohibition party.

The two great political parties have just held their conventions, and have let slip the greatest opportunities of their history. The greatest political issue before the American people for over fifty years has been the prohibition of the liquor traffic. The issue has increased in interest every year until now 40,000,000 are in prohibition territory, nearly two-thirds of the nation's area. And yet with the present temperance wave sweeping the country neither of these parties had the courage to put a prohibition plank in their platform. I tell you if they will not declare for prohibition now they never will. It was said of Sir Walter Raleigh that he had an English head but a Spanish heart. Thousands in the ranks of the old parties have temperance heads, but Democratic or Republican hearts. Hence you can never expect constitutional prohibition from the old parties. The chieftain then who leads our forces must have prohibition in the head, heart, hands and hoof. We can trust none other.

2. He must be a man of deep convictions and the courage to stand for them. We have many good prohibitionists, but they lack convictions and courage. They do not think deep and wide and high. They cannot bear the flings and arrows of outlandish fortune and dare to be a Daniel in the midst of the fight. We need a leader, Mr. Chairman, like one of the former governors of Louisiana. He was

visited by a committee which offered him a bribe of \$100,000 to sign a bill endorsing the Louisiana lottery. He arose and said, "Gentlemen I lost this eye, arm and leg in fighting for the confederacy, and before I will sign an infamous bill like that I will lose this other eye and arm and leg." Then he kicked them out and said, "To hell with your money, I am a poor man, but your price is too small." We need a candidate with courage like that.

3. He must be not only well qualified for the office, but a popular leader. Note, I say a "popular" leader—one who is known throughout the eighty-eight counties of the state, commanding the respect and support of every prohibitionist in the great state of Ohio.

And now Mr. Chairman, I have the distinguished honor of announcing to this convention that in the front ranks of Ohio Prohibition we have just such a man—a man who is a prohibitionist, from scalp to heel—a man who has convictions and courage to stand for them—a man who is known among prohibitionists as a popular leader throughout the length and breadth of the state. The man who three years ago against John M. Pattison piled up over 13,000 prohibition votes, Aaron S. Watkins.

I sincerely believe Professor Watkins is qualified in every way for the high position to which we seek to elect him. In the first place his name is Aaron, and, like Aaron of old, he has the gift of speech. You can call him out of bed at midnight, and he can make a prohibition speech worthy to grace the pages of any daily paper. Like Aaron, too, he wears the priestly robe of a Christian minister, and carries the record of a clean, honest, upright life.

Like Aaron, too, he is a born teacher, the word "Aaron" means teacher. He teaches one of largest Sunday School classes in the state, ranging in attendance from 125 to 200. Then he is Professor of Literature and various other things, in one of the best colleges of the state, the O. N. U. at Ada.

Like Aaron, too, he comes from a good tribe. Aaron was from the tribe of Levi, one of best of the twelve. Dr. Watkins comes from sturdy quaker stock with some of the iron blood of Governor Fox and William Penn in his veins. I must not forget, too, that he was born among the hills of Logan County, the best county in the state. I know for I was born there myself. He now resides in Hardin County, the second best in the state.

There is one thing Aaron did that Dr. Watkins never was guilty of doing. He made a golden calf. But this Aaron is endeavoring only to make the golden age.

I have known Mr. Watkins for several years. We entered the ministry together. For three years we have labored side by side in the same town. I have had opportunity to observe his life, his work and unswerving fidelity to prohibition



principles. And I say to this convention that in the judgment of Hardin County's delegation Aaron S. Watkins is the best candidate in sight to lead our hosts to victory next November.

Look at his record three years ago. We have had no candidate since 1896 who labored under more unfavorable circumstances. At the time he was nominated he was pastor of a church, and about the same time was appointed to the chair of literature in the Ohio Northern University. Here he had three jobs on hand until his pastoral year closed. Then you remember how many, hitherto loyal prohibitionists, that year left our ranks to vote for Pattison to defeat the anti-temperance Herrick machine. And yet in spite of all this, Dr. Watkins buckled his mantle about him like a Hercules, traveled 5,000 miles over the state, delivering over sixty speeches and rolled up one of the largest prohibition votes polled in the state since 1896.

It has been predicted that one million prohibition votes will be cast at the ballot box next November, against 528,000 four years ago. Ohio, that usually leads in every thing else, ought to lead in this. If this convention will nominate Aaron S. Watkins as our chieftain, I believe there will be a snow storm next November of pure, white prohibition ballots, which, when counted, will reach the glorious total of 25,000 strong.

Mr. Chairman, I move the nomination of Dr. Aaron S. Watkins.

I was told that in the University at Ada among the thirty or more professors of the faculty there are four recognized as especially able in debate and familiarly known as the "Big Four;" Dr. Watkins is one of this quartet, and the students have learned to expect that he will carry his end of whatever question is under discussion. In fact he is an unusually eloquent and able campaigner. In speaking he is like Lincoln in being always ready to use a printed humorous illustration to liven up the keen analysis and severe logic. When he says, "This reminds me of a story," the students always have a broad smile of anticipation, on their faces, as they know they are going to get something rich. In the Pattison campaign they had a strange combination, a Sunday School man at the head of the ticket, and a brewer at the other end, in the person of Mason of Cincinnati, candidate for treasurer. Referring to this combination, Professor Watkins said it made him think of the soldier who returned from the Spanish American war half dead of camp fever, and was greeted by a friend who said, "Hello Bob, I see you are back from the front." To which Bob answered, in a feeble voice, "I know I was very thin, but I did not know I was so thin, you could see my back from the front." On one occasion the President of the University started a series of brief lectures by the members of the faculty. The first speaker gave it a humorous turn, and the others

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followed in the same manner. When it came to Dr. Watkins he arose and said "Perhaps we have had enough of this kind of entertainment, and I will proceed to give you my address, which is East Peach Avenue, Ada, Ohio," and then he sat down.

Our candidate has a judicial temperment, weighs evidence well before making a decision. Some of the old citizens think he is much like Salmon P. Chase, both in appearance, talent, and disposition. With a tall commanding, yet graceful figure, a clear ringing voice capable of filling any auditorium, he is an ideal candidate, and will certainly add material strength to the Prohibition ticket.

### SEES WORLD-WIDE TEMPERANCE WAVE

President Samuel J. Barrows, of the International Prison Commission, says that the "temperance tidal wave" is not a metaphor, but a fact. Writing in the *Outlook*, he points out that not only in this country, but in England, France, Switzerland, Sweden, Finland and Russia the force of this tidal wave is being felt.

"On the 21st of April the people of Illinois voted to close 1,500 saloons; 500 more were closed on the same day in Michigan, Colorado and Nebraska. Superintendent Baker, of the National Anti-Saloon League, after a careful estimate of the outlook for the whole country for 1908, prophesies that not less than thirty saloons a day will be closed during the year, or 200 a week. Allowing an average of thirty feet front for each saloon, that means fifty-nine and one-third miles of saloons to be closed in the year."

Dr. Barrows says that in the beginning the temperance movement depended upon an appeal to the individual, whereas now it has entered new fields, and "social control of the liquor traffic, in some form or other, has become a recognized principle in modern legislation."

"When temperance was regarded as an individual and not as a social question there was a natural protest against the restriction of individual liberty by sumptuary laws. \* \* \* In our own day extreme individualism has been modified in every respect by fraternalism, by new conceptions of solidarity and social obligations. 'No man liveth to himself.' Eating and drinking are private acts, but they may have important social consequences. If the individual is responsible to society for his acts society is recognizing its responsibility to the individual. It is responsible to some extent for his environment; it must furnish him adequate protection. The state intervenes to protect the individual against diseased meat, impure milk, and adulterations of food of any sort. Individual health may be a

personal concern; but the public health is a social concern. Boards of health have sprung up in all civilized countries. Drunkenness is an individual vice; but if it deprives the individual of his self-control it becomes a social peril; it means theft, assault, wife-beating, social disorder, homicide; it means neglected homes, neglected children, poverty and pauperism."

Dr. Barrows calls the fight for a reformed license law in England—"the biggest fight that country has ever had on the liquor question." The popular vote for the prohibition of absinthe in Switzerland, the prohibition sentiment in Finland, the government's subsidy of the temperance movement in Russia, the changed attitude of Germany toward the subject, and the campaign of temperance education in the French schools and in the French army, are all evidences of the growth of temperance sentiment in Europe.

In the United States "we find that 36,000,000 people have put the saloon under the ban of the law, 10,000,000 by state laws, and 26,000,000 by local laws."

Methods of regulation in the British colonies he says, follow more closely the prevailing methods in the United States than those of the mother country. Thus:

"The passage of the Scott act in the Dominion of Canada, in 1878, marked an epoch in the history of liquor legislation in that country. It gave to cities and counties the right of local option. The Province of Quebec adopted local option in 1899, and the writer, by a summer residence of thirty years in this province, has noted the gradual development of prohibition sentiment. In Nova Scotia sixteen out of eighteen counties have local option; in New Brunswick all but five counties; Prince Edward Island has it in its whole extent; it has made much progress in Manitoba. Temperance sentiment is marked in Ontario. Toronto is a shining example of the effect of public sentiment in reducing the evils of a lax license system. In 1874, with a population of 60,000, it had 530 licenses. In 1907, with 260,000 population, it had but 207.

"In New South Wales local option has been in operation since 1882; Victoria adopted it in 1876; New Zealand, in 1881, permitting each electoral district to decide the question by a three-fifths vote. Canada shows the smallest per capita consumption of absolute alcohol in the English-speaking world, and New Zealand comes next."

#### RECORD OF FOUR YEARS SINCE LAST PRESIDENTIAL ELECTION AN EYE OPENER TO PATRIOTS AND POLITICIANS ALIKE

From report of National Chairman Charles R. Jones, presented to the Prohibition National Committee, July 14.



During the past four years the amount of Prohibition territory has been doubled and 20,000,000 people added to those living in Prohibition cities, counties and states, making an aggregate of over 40,000,000 now by their own choice in saloon-free districts. The figures below show that nearly two-thirds of the territory and nearly one-half of the people are under Prohibition protection :

WHAT THE RECORDS SHOW—PROHIBITION IN FOUR YEARS, 1904-1908

STATE	1904	1908
ALABAMA	20 Prohibition Counties.	State Prohibition (in effect December 31, 1908).
ARKANSAS	44 Prohibition Counties.	57 Prohibition Counties.
CALIFORNIA	75 Prohibition Towns.	State Prohibition certain in 1909. 250 Prohibition Towns. Large part of Southern California saloon-free.
COLORADO	Few Prohibition Towns. No Local-option law.	Nearly 100 Prohibition Towns. State local option law passed 1907. Denver Half Prohibition.
CONNECTICUT	Half of State local Prohibition.	Increase in Prohibition Vote.
DELAWARE	Few Small Prohibition Towns.	Two-thirds of State Under Prohibition.
FLORIDA	30 Prohibition Counties.	37 Prohibition Counties.
GEORGIA	104 Prohibition Counties.	State Prohibition since January 1, 1908. Crime cut in two. Drunkenness reduced two-thirds.
IDAHO	No Prohibition Territory. "Wide open" State.	No License in Many Towns. Law Enforcement throughout state. Sunday saloon closing by State law 107.
ILLINOIS	8 Prohibition Counties. 500 Prohibition Towns. "Wide open" Sunday. Prohibition Party vote 34,770.	36 Prohibition Counties. 2500 Prohibition Towns. Only 2 Counties wholly licensed. 23 Prohibition Cities (over 5,000). Strict Sunday closing, except in Chicago.
INDIANA	140 Prohibition Townships.	Prohibition Party vote 89,293. 900 Townships; Two-thirds of State Population in Prohibition Territory.
IOWA	25 License Counties. Lax Enforcement of Law.	25 License Counties. Strict Enforcement.
KANSAS	State Prohibition. Lax Enforcement. Law Enforcement Crusade at Kansas City, Kans., a fizzle.	State Prohibition. Strict Enforcement. Prohibition Enforcement a complete success in Kansas City. Prohibition Party Well Organized.
KENTUCKY	47 Prohibition Counties.	92 Prohibition Counties.
LOUISIANA	20 Prohibition Parishes out of 54.	37 Prohibition Parishes. State Prohibition Narrowly Defeated in First Legislative Skirmish.
MAINE	State Prohibition. Lax Enforcement.	State Prohibition. Strict Enforcement.
MARYLAND	15 Prohibition Counties.	Same. Strict Sunday Closing of Saloons.
MASSACHUSETTS	250 Prohibition Towns, and Cities.	360 Prohibition Towns and Cities. 18,000 State Majority Against License. Worcester Largest Prohibition City in the World.

## THE PROHIBITIONIST PARTY

STATE	1904	1908
MICHIGAN	2 Prohibition Counties. 400 Prohibition Towns.	11 Prohibition Counties. 700 Prohibition Towns.
MINNESOTA	400 Prohibition Towns.	1611 Prohibition Towns.
MISSISSIPPI	65 Prohibition Counties.	State Prohibition.
MISSOURI	3 Prohibition Counties in 1905	77 Prohibition Counties.
MONTANA	No Prohibition Territory.	One Prohibition County.
NEBRASKA	200 Prohibition Towns.	600 Prohibition Towns. 22 Prohibition Counties.
NEVADA	No Prohibition Territory.	Local Gains.
NEW HAMPSHIRE	State Prohibition Repealed 1903.	144 Prohibition Towns, 1904. 183 Prohibition Towns, 1908.
NEW JERSEY	"Wide open" State.	Sunday Closing and Vigorous Law Enforcement.
NEW YORK	285 Prohibition Towns.	Some Local Gains.
NORTH CAROLINA	Local Option Bill Passed 1903.	State Prohibition Carried May 26 by 40,000.
NORTH DAKOTA	State Prohibition. Lax Enforcement in Some Sections.	State Prohibition. State-wide Enforcement.
OHIO	145 Prohibition Towns. First State Local Option Law.	1621 Prohibition Towns. County Prohibition Law Passed.
OKLAHOMA	Few Prohibition Towns.	State Prohibition.
OREGON	No Prohibition Territory. No Local Option Law.	State County Option Law. 21 Prohibition Counties Out of 34.
PENNSYLVANIA	Prohibition Sentiment Apa- thetic.	State-wide Movement for County Pro- hibition Led by Leading Philadelphia Daily.
RHODE ISLAND	20 Prohibition Towns.	Some Local Gains.
SOUTH CAROLINA	State Dispensary.	State Dispensary Abolished, 1907. 18 Prohibition Counties.
SOUTH DAKOTA	Scattering Prohibition Towns.	13 Prohibition Counties.
TENNESSEE	8 License Cities.	3 License Cities. State Prohibition Narrowly Defeated in Democratic Primary.
TEXAS	140 Prohibition Counties.	152 Prohibition Counties.
UTAH	No Prohibition Territory.	County Prohibition Campaign Sweep- ing State.
VERMONT	Prohibition Repealed in 1903.	138 Prohibition Towns, 1904. 216 Prohibition Towns, 1908.
VIRGINIA	Local Option Law Passed 1903.	66 Prohibition Counties.
WASHINGTON	Few Prohibition Towns.	General Local Prohibition Gains. Both old parties this year catering to Prohibition forces.
WEST VIRGINIA	40 Out of 54 Counties Dry.	State Campaign for Constitutional Prohibition.
WISCONSIN	300 Prohibition Towns.	789 Prohibition Towns.
WYOMING	No Prohibition Territory.	Some Local Gains.
ARIZONA	No Prohibition Territory.	2 Prohibition Districts. Phoenix, State Capital, gave Majority for Prohibition (two-thirds required).
NEW MEXICO		State Prohibition Asked for when Ad- mitted.
D. OF COLUMBIA		Prohibition Campaign on urged by Prohibition forces of nation.

17,000,000 people in the South under Prohibition in 1904.

25,000,000 people in the South under Prohibition in 1908

There are today 250 Prohibition cities in the United States having a population of over 5,000 each, with a total population of nearly three million and a half.

In 1904 there were scarcely 100 Prohibition cities of 5,000 or over. There are now 90 Prohibition cities of 10,000 or over.

The Prohibition Party is organized and at work in practically every state of the Union and the above reference note states where the party is especially active.

In 1904 the liquor trade through its National Protective Bureau, announced it had circulated within twelve months over 4,000,000 specially prepared leaflets attacking the Prohibition argument. Since that time at a low estimate 20,000,000 of these leaflets have been distributed broadcast and in the most carefully selected fashion.

In 1904 the National Liquor League of the United States was organized at Cincinnati, January 7th and 8th to put the "lid" on the apparent beginnings of a Prohibition renaissance. Four years of the "National Liquor League of the United States" has resulted in 20,000,000 people being added to the Prohibition population of the country; 150 new Prohibition cities; 5 new Prohibition states; hundreds of new Prohibition counties, and thousands of new Prohibition towns and villages in all the rest of the country.

One of the most striking contrasts between 1904 and 1908 is seen in the transformation which has been wrought in the attitude of the daily and secular press toward the Prohibition question. Since 1904 leading daily papers in all parts of the country have begun to exclude liquor advertising from their columns.

The daily press of America is today giving ten times more attention to and far more friendly treatment of the Prohibition issue than was the case in 1904.



## CHAPTER XIII

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### THE INDEPENDENCE PARTY

The National Convention of the Independence Party met in Orchestra Hall, Chicago, on Monday, July 27, 1908. William R. Hearst of New York had been chosen by the executive committee as temporary chairman, and his address to the delegates set the keynote of opposition to the policies of the other political parties. Committees on rules, credentials and platforms were appointed, after which the convention took a recess to Tuesday, the 28th.

When the convention met on Tuesday the report of the committee on organization was presented, which named Charles A. Walsh of Iowa, as permanent Chairman, and a two-thirds rule for the nominations was presented and adopted, after Chairman Walsh's address. After he had concluded nominations were declared in order. Dr. L. A. Fealey of Alabama presented the name of Milton W. Howard of that state. The Reverend Roland L. Sawyer of Massachusetts presented the name of Thomas L. Hisgen of the Bay State. Bernard Sutler of Georgia placed in nomination John Temple Graves of Atlanta, Ga. Ohio nominated William R. Hearst of New York, and New York presented the name of Reuben R. Lyon. This closed the list of nominations. It required three ballots to secure the election of Mr. Hisgen, the vote of each standing as follows:

First Ballot—Hisgen, 396; Howard, 200; Graves, 213; Lyons, 71; Hearst, 49; total votes, 298; necessary to nominate, 619.

Second ballot—Hisgen, 509; Howard, 109; Graves, 189; Lyons, 0; Hearst, 49; total votes, 928; necessary to nominate, 616.

Third Ballot—Hisgen, 831; Howard, 38; Graves, 77; Hearst, 2; total votes, 948; necessary to nominate, 632.

The convention then proceeded to nominate candidates for vice-president. The names of John Temple Graves of Georgia, Charles F. G. Neal of Indiana, Howard S. Taylor of Illinois and Steven Charters of Connecticut were presented. Mr. Graves was declared the nominee by acclamation. The report of the committee on platform was presented and adopted.

## ADDRESS OF WILLIAM RANDOLPH HEARST

My friends: This is the first national convention of the Independence Party.

Whether it shall prove an historical event or merely a passing political incident depends upon the wisdom and patriotism with which we shall deliberate and act.

If the men who met in Independence Hall in Philadelphia on the Fourth of July, 1776, had had within them any feeling of hesitation, any disposition toward compromise or concession, that day would now pass as any other day upon the calendar.

But the patriots who assembled there had courage in their hearts, determination in their minds, high purpose in their souls—and the Fourth of July is saluted throughout the world as the birthday of liberty for all men.

It is too much to say that our convention can ever reach the importance of the second Continental Congress, but the principles they met to declare we have met to preserve and the liberties they assembled to secure we have assembled to protect.

I believe, therefore, that we will do a service to our fellow-citizens second only to the inestimable service rendered by the founders of this government if we shall found a party which will remain unfailingly faithful to the cause of the plain people, to the principles of the Declaration of Independence and to the fundamental American ideas of Liberty, Equality and Opportunity for all.

I believe that if any party is necessary in this country to preserve the government as the fathers framed it, a new party is necessary; if any party is necessary to promote progress and prosperity, to encourage the honest business man and protect the honest workingman, a new party is necessary; if any party is necessary to represent the typical American citizens that constitute the people in their struggle with the tyrannical monopolies which constitute the trusts, a new party is necessary.

In 1792 Thomas Jefferson, who had penned the principles of the Declaration of Independence, founded the Democratic-Republican party to perpetuate those principles.

In 1840 this party, founded to be the party of the people, had become the party of privilege, and the Democratic party came into being and crystallized about the personality and principles of Andrew Jackson. In 1854 the Democratic party had become the property of an arrogant aristocracy which denounced the self-evident truths of the Declaration of Independence as "self-evident lies." Then the Republican party was born to restore the action of the government to

the principles of Washington and Jefferson and Abraham Lincoln led it to victory.

Is it not time, is there not need for a new party which shall take up the work of the parties of Jefferson, of Jackson and of Lincoln and preserve for us and for the citizens of the future the rights and liberties which these parties in their hours of usefulness preserved for the citizens of their time?

The old parties, in this day of their decadence, are no longer equal to this work, for they have become unfaithful to the principles which inspired them and unworthy of the patriots who founded them.

The Republican party is the open and avowed handmaiden of the trusts.

It scorns those who would rescue it, repudiates those who would reform it and glories brazenly in its profitable infamy.

The Democratic party is merely envious of its sordid sister's illgotten finery. It upbraids her at one election and imitates her the next.

The Republican leaders are the political attorneys of trusts and monopolies, the representatives in public life of those giant corporations which have superseded the people in this republic as the source of power and the seat of authority.

The Democratic vanguard is a Falstaff's army. It is led by a knight arrayed in a motley of modified professions and compromised principles, of altered opinions and retracted statements. It is officered by such soldiers of fortune as Sullivan and Hopkins and Murphy and McClellan, by Tom Taggart, the roulette gambler, and Tom Ryan, the Wall Street gambler, and Belmont, the race track gambler. It is composed of such political mercenaries as Bailey of the Standard Oil and Williams of the Southern Railway, and Hinky Dink and Bath House John, and Red Duffy and Nigger Mike—all harmonized at last and all marching together in a rhythmic cadence strongly suggestive of the lockstep.

A Falstaff's army whose banner bears on one side a watchword for the people and on the other a password for the trusts, whose only object is office at any cost, whose motto, "After Us the Deluge."

Assuming that Mr. Bryan himself is all that his most ardent admirers claim him to be, a great lawyer, an enlightened statesman, an inspired patriot, still a man is known by the company he keeps, and no decent Democrat can tolerate his free companions.

No honest citizen can let down the bars of office to such an Ali Baba's band of boodlers and bravos.

No prudent citizen will support a combination to which Taggart supplies a candidate and Parker a platform, for which Ryan will pay the freight and the people will pay the penalty.



Back of both parties and underwriting each are those Captain Kidds of Industry, those highwaymen of high finance, who realize that to plunder safely the people's purse they must first possess the people's government.

When I was running for Governor in New York an emissary of one of the biggest men in Wall Street called upon me and said that his client offered to contribute one hundred thousand dollars to my campaign fund and to raise several hundred thousand more if my views were reasonable in regard to honest business. I told the emissary that the offer was declined with thanks. I said that the gentlemen making it were merely proposing to waste their good money, for wherever business was honest I would deem it my duty as a public official to promote and encourage it without any hundred thousand dollar bribes, and wherever business was dishonest not all the money in Wall Street would influence my attitude toward it.

I merely mention this incident to show what I believe should be the attitude of any honest candidate and the policy of any honest party.

No lawyer would serve his client honestly who had received a retaining fee from the opposite side, and no party can honestly represent the citizens where their interests conflict with the exactions of the trusts if it has been contaminated by a corporation campaign fund and subsidized into silence and subserviency.

I urge our party to take a broad and liberal stand toward the legitimate business enterprises of the country, but to distinguish between honest business everywhere and those criminal concerns which plunder through political pull and pay for political protection.

Good wine needs no bush and honest business needs no bribe.

Honest business and prosperity are almost synonymous terms. As one develops the other increases; when one is unduly disturbed the other fails.

Reforms must be made as the country develops and the people progress, but these reforms should be carried out by those in authority without spite or prejudice, without egotism or sensationalism, without a brass band or a big stick.

Not all who ask to be let alone really want to be let alone.

The thief may well ask to be let alone in his thievery, but the legitimate business man should ask for all the encouragement that an intelligent business administration can properly provide. It is a fundamental function of government to keep the peace—and to keep the peace it must interfere to prevent fraud and violence and extortion and oppression.

It is a fundamental function of government to maintain morality, and to maintain morality it must interfere to secure business morality as well as personal morality.

It is a legitimate and proper function of government to promote conditions that will increase wealth and bring about a just distribution of wealth, that will secure increased profits for honest business men and insure a fair division of profits for honest working men.

We all want prosperity, and, what is more, we want prosperity for all.

I urge our party, therefore, to be intelligently and courageously constructive, not merely obstructive like the Republican party, or destructive like the Democratic party.

The Republican platform says nothing and means nothing.

It is a platform of statistical inventions and political evasions.

It is obviously the product of a party whose sole purpose is to stand pat and whose sole desire is to stay put.

The Democratic platform contains some good and original things, but, as has been said, the original things are not good and the good things are not original.

It was built by political jackdaws who feathered their nests with the plumes of others without understanding of their significance or intention as to their performance.

It is the habitation of a hermit crab which has no shell of its own and invades the first convenient one without regard to property or propriety.

It is a platform, too, of reconciliation and retraction, of atonement and apology, of harmony and hypocrisy, for in compliance with a former compact Parker has pronounced peace, Bill Bailey has poured Standard Oil upon the troubled waters, and Bryan has killed not only the fatted calf, but the goose that laid the golden egg.

No man can serve two masters and no man can conciliate the conflicting elements of the Democratic party.

He who tries must serve one and deceive the other—must make public pretense to the people and private compact with the trusts. Our party is not a party of factions or sections or cliques or classes. We have no warring wings to pacify, no contradictory declarations to modify, no corrupt bosses to satisfy

Let us act boldly and speak plainly.

Let us make a platform so clear and so sincere that every citizen will understand our position and have confidence in our intention.

Let us nominate candidates from among the many men here present whose lives and deeds are a guarantee of the genuineness of their attitude—a pledge of the sincerity of our professions.

Then let us go forth to an honorable effort for a righteous cause, to battle and to victory.

THE PLATFORM AT A GLANCE

1. Initiative and referendum.
2. The right of recall of officeholders.
3. Legislation to remedy corrupt practices of elections.
4. Demands economy in the conduct of public offices.
5. Condemns the evils of over-capitalization and demands its regulation by county, state and national legislation.
6. Denounces the labor clauses in the Democratic and Republican platforms as claptrap and buncombe.
7. No injunction to issue without notice and hearing, and all contempt of court cases to be tried by a jury.
8. Eight-hour day labor law.
9. Opposition to child labor.
10. Condemns manufacture and sale of prison-made goods in the open market to compete with product of labor.
11. All money to be issued by the government.
12. Demands a revision of the tariff. There should be no protection for oppressive trusts which sell cheaply abroad and take advantage of the tariff at home to crush competition.
13. Give the government power through an appointed commission to learn the physical valuation of the railroads.
14. Denounces all combinations in restraint of trade and suggests remedy by legislation.
15. Favorable to the enactment of laws that will contemplate the imprisonment of individuals criminally responsible for trusts and other similar crimes instead of merely fining the stockholders.
16. Government ownership of railroads as soon as the government can show ability to operate, and government ownership of telegraph companies.
17. Postal savings banks—the deposits to be loaned to the people on good and sufficient security.
18. Good roads.
19. Favors a court to review the censorship and arbitrary rulings of the postoffice department.
20. Admission of Arizona and New Mexico as separate states favored.
21. To suppress bucket shops and prevent fictitious dealings in farm products.
22. Favors creation of a national bureau of health.



23. A plank declaring against the immigration of Asiatic nations into the United States.
24. Favors a bigger navy and the establishment of a merchant marine.
25. For inland waterway development and the development of natural resources.
26. Favors popular election of United States Senators and judges, both state and federal, and a graduated income tax.

### THOMAS L. HISGEN

While Thomas L. Hisgen, Independence Party nominee for the Presidency, is a "Massachusetts man," he hails from the State of Indiana. And if ever there came a candidate from the people that man is Hisgen. His parents were German people who first located at Albany, N. Y. In 1857 William Hisgen, the father, emigrated with the family to Petersburg, Ind., where he opened a store. On November 26 of the following year Thomas was born.

The opportunities for education were meager in the fifties and especially in the country district where the Hisgen family lived, so Thomas took his education as opportunity presented itself in the shape of the ordinary country school.

A constantly increasing family with far from a corresponding increase in worldly goods necessitated Thomas and his brothers early in life taking up a part of the burden of their father.

But Thomas Hisgen was ambitious, and the lack of opportunity of securing an education proved an incentive for him to make the opportunity. Lord Bacon says that reading maketh a full man, so Thomas Hisgen became a reader of good books, which have given depth to his grasp of affairs and scope to his view of life.

"Did I ever attend a university?" Hisgen laughed when the question was asked. "Why, yes, I am a university graduate. I graduated from the University of the World."

When Hisgen was about sixteen years of age his father moved back to Albany, where Thomas and his two brothers became clerks in a clothing store. The elder Hisgen had some knowledge of chemistry, and he began trying to invent a compound of patent axle grease.

The brothers were at first inclined to discredit their father's attempt, but later experiments that Thomas made demonstrated that the patent was a commercial possibility. The four brothers formed a partnership to manufacture the grease in 1888, but the following year the little factory was destroyed by fire.

Thomas surrendered a favorite violin, another brother sacrificed a diamond pin, while the others gave up their keepsakes which brought \$95 from a pawn-broker, and they began over again. Ten years after they took up the work they owned the largest axle grease factory in the world, with a floor space of 75,000 feet in Albany.

It was about this time that the Standard Oil Company crossed the path of Thomas Hisgen. The company made an offer of \$600,000 for the business, which was refused. Then the trust sought to sell an inferior grade of grease. Failing to injure the Four Brothers' Axle Grease Company the monopoly tried to crush them by threatening not to sell kerosene to retailers who handled the Hisgen axle grease.

Then it was that the fighting spirit of the three surviving brothers was aroused. They carried the war straight into the camp of the enemy by engaging in the independent oil business in and about Albany in 1899.

The following year Thomas Hisgen went to Springfield, Mass., to establish the New England branch of the concern. The result has been that for the last seven years the people of that section have been getting their oil from 3 to 5 cents cheaper than the Boston consumers pay. The Standard has been trying lately to undersell the Hisgen concern, but the public prefer to pay a trifle more, for in the failure of the Hisgens, they see the return of the Standard to its power of extortion.

Hisgen married Miss Barbara Fox of Albany in 1900, and three children are the result of the union.

Hisgen ran for State Auditor on the Democratic and Independence League tickets in 1906, polling 150,000 votes, and the following year he ran on the straight Independence League ticket for Governor, receiving 75,000 votes and placing his party in the second place in a political power in the State of Massachusetts.

### JOHN TEMPLE GRAVES

While John Temple Graves, the Vice-Presidential nominee of the Independence party, is recognized as the leading exponent of the ideas of the "New South," yet is he a gentleman of the old Southern school.

He comes from distinguished Southern stock and his ancestors helped to build up America. He was born in Abbeville, S. C., November 9, 1857. His maternal grandfather was the oldest brother of the famous John C. Calhoun, while his paternal grandfather was a colonel in the Continental army and was

chosen by General Greene to oppose Lord Cornwallis' passage of the Rapidan River, which was done with notable bravery.

John Temple Graves graduated at the University of Georgia in 1876. He entered the newspaper business, becoming in turn editor of the Daily Union, the only daily paper published in Florida; editor of the Atlanta Journal, editor and proprietor of the Rome Daily Tribune, editor and founder of the Atlanta News, editor and founder of the Atlanta Daily Georgian, and he is now editor of the New York American.

He was a Democratic elector-at-large from Florida in 1884, leading the ballot, and was also elector-at-large in 1888 from Georgia, again receiving the highest number of votes on the ballot.

Colonel Graves was orator of the Southern Society of New York in 1892 and orator of the New England Society of Philadelphia the following year. He was three times orator of the New England Society of Boston and twice orator of the Merchants' Club in Boston; orator of the World's Congress of Dentists in Chicago in 1893 and of the World's Congress of Journalists at St. Louis in 1904.

He was candidate for the United States Senate from Georgia on the Democratic ticket with very brilliant prospects of success in 1906, but was forced by ill health to retire from his candidacy.



## CHAPTER XIV

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### THE SOCIALIST PLATFORM

“The Socialist party, in national convention assembled, in entering upon the campaign of 1908, again presents itself to the people as the party of the working class, and as such it appeals for the support of all workers of the United States and of all citizens who sympathize with the great and just cause of labor.

“We are at this moment in the midst of one of those industrial breakdowns that periodically paralyze the life of the nation. The much-boasted era of our national prosperity has been followed by one of general misery. Factories, mills and mines are closed, work is abandoned, and millions of men, ready, willing and able to provide the nation with all the necessaries and comforts of life are forced into idleness and starvation. Within recent times the trusts and monopolies have attained an enormous and menacing development. They have acquired the power to dictate to us the terms upon which we shall be allowed to live. The trusts fix the prices of our bread, meat and sugar; of our coal, oil and clothing; of our raw material and machinery; of all the necessaries of life and even the prices of our coffins.

“The ruling class has seized upon the present desperate condition of the workers as an opportunity for a renewed onslaught on the organized labor movement. The highest courts of the country have within the last year rendered decision after decision depriving the workers of rights which they had won by generations of struggle.

“The attempt to destroy the Western Federation of Miners, although defeated by the solidarity of organized labor and the Socialist movement, revealed the existence of a far-reaching and unscrupulous conspiracy on the part of the ruling powers against the organizations of labor.

“In their efforts to take the lives of the faithful leaders of the miners the conspirators violated the state laws and the federal constitution in a manner seldom equaled even in a country so completely dominated as is the United States by the profit-seeking class.

"The congress of the United States has shown its contempt for the interests of labor as plainly and unmistakably as have the other branches of government. The legislation for which the labor organizations have continuously petitioned has been rejected. The scant legislation apparently passed for their benefit has been so distorted as to injure those whom it pretended to help.

"The working class of the United States cannot expect any remedy for its wrongs from the present ruling class or from the dominant parties. So long as a small number of individuals are permitted to use the common resources of the nation's wealth for their private profit, in competition with each other and for the exploitation of their fellowmen, industrial depressions are bound to occur at certain intervals. No currency reform or other legislative measure proposed by capitalist reformers can avail against these fatal results of a system of utter anarchy in production.

"So long as the wealth production of the country is based on individual competition the fierce struggles of this competition will inevitably lead to combinations and trusts. No amount of government regulation, or of publicity, or of restrictive legislation will arrest the natural course of modern industrial development.

"So long as our courts, legislatures and executive officers remain in the hands of the ruling classes and their agents, our government will be used in the interests of these classes as against the toilers.

"Political parties are but the expression of economic class interests. The republican, the democratic, and the so-called 'independence' parties, and all parties other than the Socialist party, are financed, directed and controlled by the representatives of different groups of the ruling class.

"In the maintenance of class government both the democratic and republican parties have been equally guilty. The republican party has had control of the national government and has been directly and actively responsible for these wrongs. The democratic party, while saved from direct responsibility by its political impotence, has shown itself equally subservient to the aims of the capitalist class whenever and wherever it has been in power. The old chattel slave owning aristocracy of the south, which was once the backbone of the democratic party, has been supplanted by a child slave plutocracy. In the great cities of our country the democratic party is allied with the criminal element of the slums, as the republican party is allied with the predatory crowds of the palace, or with the republican party in maintaining the interest of the possessing class.

"The various 'reform' movements and parties which have sprung up within recent years are but the clumsy expression of widespread popular discontent with the present system of exploitation and graft. They are not based on an intelligent

understanding of the historical development of civilization, and of the economic and political needs of our time. They are bound to perish as the numerous middle class reform movements of the past have perished.

“As measures calculated to strengthen the power of the working class in its fights for the realization of this ultimate aim, and to increase its power of resistance against capitalist oppression, we advocate and pledge ourselves and our elected officers to the following program:

### PROGRAM.

We demand immediate governmental relief for unemployed workers by building roads and canals, by restoration of the forests, by reclamation of arid lands and by extending all other useful public works. All laborers on such work shall be employed directly by the government under an eight-hour work day and at the prevailing rate of union wages. The government shall also lend money to states and municipalities without interest for the purpose of carrying on work, and it shall contribute funds to labor organizations for the purpose of assisting their unemployed members, and shall take such other measures within its power as will lessen the widespread misery of the workers caused by the misrule of the capitalist system.

We demand:

1. The collective ownership of railroads, telegraphs, telephones, steamships and all other means of transportation and communication, and all lands.
2. The collective ownership of all industries which are organized on a national scale and in which competition has virtually ceased to exist.
3. The extension of the public domain to include mines, quarries, oil wells, forests and water power.
4. The scientific reforestation of timber lands and the reclamation of swamp lands. The land so reclaimed shall be permanently retained as a part of the public domain.
5. The absolute freedom of press, speech and assemblage, as guaranteed by the constitution.
6. That religion be treated as a private matter—a question of individual conscience.
7. The improvement of the industrial conditions of the workers:
  - (a) By shortening the workday in keeping with the increased productiveness of machinery.
  - (b) By securing to every worker a rest period of not less than a day and a half in each week.



- (c) By securing a more effective inspection of workshops and factories.
- (d) By forbidding the employment of children under sixteen years of age.
- (e) By forbidding the interstate transportation of the products of child labor, of convict labor and of all uninspected factories.
- (f) By abolishing official charity and substituting in its place compulsory insurance against unemployment, illness, accidents, invalidism, old age and death.

8. The extension of inheritance taxes, graduated in proportion to the amount of the bequests and to the nearness of kin.

9. A graduated income tax.

10. Unrestricted and equal suffrage for men and women, the initiative and referendum, proportional representation and the right of recall.

11. The abolition of the senate.

12. The abolition of the veto power by the president.

13. That the constitution be made amendable by majority vote.

14. Government by majority. In all elections where no candidate receives a majority the result should be determined by a second ballot.

15. The enactment of further measures for general education and for the conservation of health. The elevation of the present bureau of education into a department, and the creation of a department of public health.

16. The separation of the present bureau of labor from the department of commerce and labor, and its elevation to the rank of a department.

17. That all judges be elected by the people for short terms, and that the power to issue injunctions should be curbed by immediate legislation.

18. The free administration of justice.

19. That the right of suffrage in any state be extended to all citizens of legal age of the United States upon qualification of a ninety days' residence in that state next preceding the day of election, and the registration be closed not earlier than five days next preceding the day of election.

Such measures of relief as we may be able to force from capitalism are but a preparation of the workers to seize the power of government in order that they may thereby lay hold of the whole system of industry, and thus come into their rightful inheritance.

#### EXTRACTS FROM SPEECH OF EUGENE V. DEBS.

(Mr. Debs delivered this speech at Girard, Kansas.)

“Ladies and Gentlemen:

When I made some inquiry a few moments ago as to the cause for this assembling I was told that it was the beginning of another street fair. I am quite surprised, and agreeably so, to find myself the central attraction.

The honor to which reference has been made has come to me through no fault of my own. It has been said that some men are born great, some achieve greatness, and some have greatness thrust upon them. It is even so with what are called honors. Some men have honors thrust upon them. I find myself in that class. I did what little I could to prevent myself from being nominated by the convention now in session at Chicago, but the nomination sought me out, and, in spite of myself I stand in your presence this afternoon the nominee of the Socialist party for the presidency of the United States. Long, long ago I made up my mind never again to be a candidate for any political office within the gift of the people. I was constrained to violate that vow because when I joined the Socialist party I was taught that the desire of the individual was subordinate to the party will, and that when the party commanded it was my duty to obey.

So far as the presidency of the United States is concerned, I would spurn it were it not that it conferred the power to serve the working class, and he who enters that office with any other conception prostitutes and does not honor that office.

Now, my friends, I am opposed to the system of society in which we live today. not because I lack the natural equipment to do for myself, but because I am not satisfied to make myself comfortable knowing that there are thousands upon thousands of my fellow men who suffer for the barest necessities of life. We were taught under the old ethic that man's business upon this earth was to look out for himself. That was the ethic of the jungle; the ethic of the wild beast. Take care of yourself, no matter what may become of your fellow man. Thousands of years ago the question was asked: "Am I my brother's keeper?" That question has never yet been answered in a way that is satisfactory to civilized society. Yes, I am my brother's keeper. I am under a moral obligation to him that is inspired, not by any maudlin sentimentality, but by the higher duty I owe to myself. What would you think of me if I were capable of seating myself at a table and gorging myself with food and saw about me the children of my fellow-beings starving to death?

Allow me to say to you, my fellow men, that Nature has spread a great table bounteously for all of the children of men. There is room for all and there is a plate and a place and food for all, and any system of society that denies a single one the right and the opportunity to freely help himself to Nature's bounties is an unjust and iniquitous system that ought to be abolished in the interest of a higher humanity and a civilization worthy of the name. And here let me observe, my fellow men, that while the general impression is that human society is stationary—a finality as it were—it is not so for a single instant. Underlying society there are great material forces that are in operation all of the circling hours of the day and night, and at certain points in the social development these forces outgrow the forms

that hold them and these forms spring apart and then a new social system comes into existence and a new era dawns for the human race.

According to the most reliable reports at our command, as I speak here this afternoon, there are at least four millions of workingmen vainly searching for employment. Have you ever found yourself in that unspeakably sad predicament? Have you ever had to go up the street, begging for work, in a great city thronged with surging humanity—and, by the way, my friends, people are never quite so strange to each other as when they are forced into artificial, crowded and stifled relationship.

I would rather be friendless out on the American desert than to be friendless in New York or Chicago. Have you ever walked up one side of the street and came back on the other side, while your wife, Mary, was waiting at home with three or four children for you to report that you had found work? Quite fortunately for me I had an experience of somewhat similar nature to this quite early in my life. Quite fortunately because, had I not known from my own experience just what it is to have to beg for work, just what it is to be shown the door as if I were a very offensive intruder, had I not known what it is to suffer for the want of food, had I not seen every door closed and barred in my face, had I not found myself friendless and alone in the city as a boy looking for work, and in vain, perhaps I would not be here this afternoon. I might have grown up, as some others have who have been, as they regard themselves, fortunate. I might have waved aside my fellow men and said "Do as I have done. If you are without work it is your own fault. Look at me; I am self-made. No man is under the necessity of looking for work if he is willing to work."

Nothing is more humiliating than to have to beg for work, and a system in which any man has to beg for work stands condemned. No man can defend it. Now the rights of one are just as sacred as the rights of a million. Suppose you happen to be the individual one who has no work. This republic is a failure so far as you are concerned.

Every man has the inalienable right to work.

Here I stand, just as I was created. I have two hands that represent my labor power. I have some bone and muscle and sinew and some energy. I want to exchange it for food and clothing and shelter. Between my right to apply my labor to the tools with which work is done there stands a man artificially created. He says, "No, no!" Why not? "Because you cannot first make a profit for me."

Now, there has been a revolution in industry during the last fifty years, but the trouble with most people is that they haven't kept pace with it. They don't know anything about it and they are especially innocent in regard to it in the small west-



ern cities and states, where the same old conditions of a century ago still prevail. Your grandfather could help himself anywhere. All he needed was some very cheap, simple, primitive tools and he could then apply his labor to the resources of Nature with his individual tools and produce what he needed. That era in our history produced our greatest men. Lincoln himself sprang from this primitive state of society. People have said, "Why, he had no chance. See how great he became." Yes, but Lincoln had for his comrades great, green-plumed forest monarchs. He could put his arms about them and hear their heart-throbs, as they said: "Go on, Abe, a great destiny awaits you." He was in partnership with Nature. He associated with flowers and he was in the fields and he heard the rippling music of the laughing brooks and streams. Nature took him to her bosom. Nature nourished him and from his unpolluted heart there sprang his noble aspirations.

Had Lincoln been born in a sweatshop he would never have been heard of.

How is it with the babe that is born in Mott street, or in the lowery Bowery, or in the east side of New York City? That is where thousands, tens of thousands and hundreds of thousands of babes are born who are to constitute our future generations.

I have seen children ten years of age in New York City who had never seen a live chicken. They don't know what it is to put their tiny feet on a blade of grass. It is the most densely populated spot on earth.

You have seen your bee-hive—just fancy a human bee-hive of which yours is the miniature and you have the industrial hive under capitalism. If you have never seen this condition you are excusable for not being a Socialist. Come to New York, Chicago, San Francisco with me; remain with me just twenty-four hours, and then look into my face as I shall look into yours when I ask: "What about Socialism now?" These children by hundreds and thousands are born in sub-cellars where a whole grown family is crowded together in one room, where modesty between the sexes is absolutely impossible. They are surrounded by filth and vermin. From their birth they see nothing but immorality and vice and crime. They are tainted in the cradle. They are inoculated by their surroundings and they are doomed from the beginning. This system takes their lives just as certainly as if a dagger were thrust into their quivering little hearts, and let me say to you that it were better for many thousands of them if they had never seen the light of day.

Now I submit, my friends, that such a condition as this is indefensible in the twentieth century. Time was when everything had to be done in a very primitive way, and most men had to work all their days, all their lives, to feed them-

selves and shelter themselves. They had no time, they had no opportunity for a higher development, and so they were what the world calls "illiterate." They had little chance. It took all their time and energy to feed the animal; but how is it today? Upon the average twenty men can today, with the aid of modern machinery, produce as much wealth as a thousand did a half century ago. Can you think of a single thing that enters into our daily existence that can not be easily produced in abundance for all? If you can I wish you would do me the kindness to name it.

I don't know it all. I am simply a student of this great question, and I am serving as best I can and I know my eyes are ready for the light, and I thank that man, no matter what he be, who can add to the flame of the torch that I bear in my hand. If there is a single thing that you can think of that cannot be produced in abundance, name it. Bread, clothing, fuel—everything is here.

Nature's storehouse is full to the surface of the earth. All of the raw materials are deposited here in abundance. We have the most marvelous machinery the world has ever known. Man has long since become master of the natural forces and made them work for him. Now he has but to touch a button and the wheels begin to spin and the machinery begins to whirr, and wealth is produced on every hand in increasing abundance. Why should any man, woman or child suffer for food, clothing or shelter? Why? The question cannot be answered. Don't tell me that some men are too lazy to work. Suppose they are too lazy to work, what do you think of a social system that produces men too lazy to work? If a man is too lazy to work don't treat him with contempt. Don't look down upon him with scorn as if you were a superior being. If there is a man who is too lazy to work there is something the matter with him. He wasn't born right or he was perverted in this system. You could not, if you tried, keep a normal man inactive, and if you did he would go stark mad. You go to any penitentiary and you will find the men there begging for the privilege of doing work.

I know by very close study of the question exactly how men become idle. I don't repel them when I meet them. I have never yet seen the tramp I was not able to receive with open arms. He is a little less fortunate than I am. He is made the same as I am made. He is the child of the same Father. Had I been born in his environment, had I been subject to the same things to which he was I would have been where he is.

Your material interest and mine in the society of the future will be the same. Instead of having to fight each other like animals, as we do today, and seeking to glorify the brute struggle for existence,—of which every civilized human being ought to be ashamed—instead of this, our material interests are going to be mutual.

We are going to jointly own these mammoth machines, and we are going to operate them as joint partners and we are going to divide all the products among ourselves.

We are not going to send our surplus to the Jim Hills, Goulds and Vanderbilts of New York. We are not going to pile up a billion of dollars in John D. Rockefeller's hands—a vast pyramid from the height of which he can look down with scorn and contempt upon the "common herd." John D. Rockefeller's great fortune is built upon your ignorance. When you know enough to know what your interest is you will support the great party that is organized upon the principle of collective ownership of the means of life. This party will sweep into power upon the issue of emancipation just as republicanism swept into power upon the abolition question half a century ago.

In the meantime, don't have any fear of us Socialists. We don't mean any harm! Many of you have been taught to look upon us as very dangerous people. It is amazing to what extent this prejudice has struck root. The capitalist press will tell you of a good many evil things that we Socialists are going to do that we never intend to do. They will tell you we are going to break up the home. Great heavens! What about the homes of the four million tramps that are looking for work today? How about the thousands and thousands of miserable shacks in New York and every great city where humanity festers? It would be a good thing if they were torn down and obliterated completely, for they are not fit for human habitation. No, we are not going to destroy the home, but we are going to make the home possible for the first time in history.

You may think you are very comfortable. Let me make you a little comparison. You may not agree with me. I don't expect you to and I don't ask you to. I am going to ask you to remember what I say this afternoon and perhaps before I am elected president of the United States you will believe what I say is true. Now there are those of you who are fairly comfortable under the present standard. Isn't it amazing to you how little the average man is satisfied with? You go out here to the edge of town and you find a small farmer who has a small cabin with just room enough to keep himself and wife and two or three children, which has a mortgage on it, and he works early and late and gets just enough in net returns to keep him in working order, and he will deliver a lecture about the wonderful prosperity of the country.

He is satisfied, and that is his calamity.

Now, the majority of you would say that is his good fortune. "It is a blessing that he is satisfied." I want to see if I can show you that it is a curse to him and to society that he is satisfied.

If it had not been for the discontent of a few fellows who have not been satis-



fied with their condition you would still be living in caves. You never would have emerged from the jungle. Intelligent discontent is the mainspring of civilization.

Progress is born of agitation. It is agitation or stagnation. I have taken my choice.

This farmer works all day long, works hard enough to produce enough to live the life of a man; not of an animal, but of a man. Now there is an essential difference between a man and an animal. I admire a magnificent animal in any form except in the human form. Suppose you had everything that you could possibly desire, so far as your physical wants are concerned. Suppose you had a million to your credit in the bank, a palatial home and relations to suit yourself, but no soul capacity for real enjoyment. If you were denied knowing what sorrow is, what real joy is, what music is, and literature and sculpture, and all of those subtle influences that touch the heart and quicken the pulses and fire the senses, and so lift and ennoble a man that he can feel his head among the stars and in communion with God himself—if you are denied these, no matter how sleek or fat or contented you may be, you are still as base and as corrupt and as repulsive a being as walks God's green earth.

You may have plenty of money. The poorest people on this earth are those who have most money. A man is said to be poor who has none, but he is a pauper who has nothing else. Now this farmer, what does he know about literature? After his hard day's work is done, here he sits in his little shack. He is fed, and his animal wants are satisfied. It is at this time that a man begins to live. It is not while you work and slave that you live. It is when you have done your work honestly, when you have contributed your share to the common fund, that you begin to live. Then, as Whitman said, you take out your soul; you can commune with yourself; you can take a comrade by the hand and you can look into his eyes and down in to his soul, and in that communion you live. And if you don't know what that is, or if you are not at least on the edge of it, it is denied you to even look into the promised land.

Now this farmer knows nothing about the literature of the world. All its libraries are sealed to him. So far as he is concerned Homer and Dante and Dickens might as well not have lived; Beethoven, Liszt and Wagner, and all those musicians whose art makes the common atmosphere blossom with harmony, have never been for this farmer. He knows nothing about literature or art. Never rises above the animal plane upon which he is living. Within fifteen minutes after he has ceased to live he is forgotten; the next generation doesn't know his name, and the world doesn't know he ever lived. This is life under the present standard.

You tell me this is all the farmer is fit for? What do I propose to do for that

farmer? Nothing. I want to awaken that farmer to the fact that he is robbed every day in the week, and if I can awaken him to the fact that he is robbed under the capitalist system he will fall into line with the Socialist movement, and will march to the polls on election day; and, instead of casting his vote to fasten the shackles upon his limbs more firmly, he will cast a vote for his emancipation. All I have to do is to show that farmer, that day laborer, that tramp, that they are victims of this system, that their interests are identical, that they constitute the millions and that the millions have the votes. The Rockefellers have the dollars, but we have the votes; and when we have sense enough to know how to use the votes we will have not only the votes but the dollars for all the children of men.

This seems quite visionary to some of you, and especially to those of you who know absolutely nothing about economics. I could not begin to tell you the story of social evolution this afternoon; of how these things are doing day by day, of how the world is being pushed into Socialism, and how it is bound to arrive, no matter whether you are for it or against it. It is the next inevitable phase of civilization. It isn't a scheme, it isn't a contrivance. It isn't anything that is made to order. The day is coming when you will be pushed into it by unseen hands whether you will it or not. Nothing can be introduced until the people want it, and when the majority want it they will know how to get it.

I venture the prophecy that within the next five years you will be completely dispossessed. You are howling against the trusts, and the trusts are laughing at you. You keep on voting in the same old way, and the trusts will keep on getting what you produce. You say congress will give you some relief. Good heavens! Who will save us from congress? Don't you know that congress is made up almost wholly of trust lawyers and corporation attorneys? I don't happen to have the roll of this one, but with few exceptions they are all lawyers. Now, in the competitive system the lawyer sells himself to the highest bidder, the same as the workingman does. Who is the highest bidder? The corporation, of course. So the trust buys the best lawyer and the common herd gets the poor one.

Our conduct is determined by our economic relations. If you and I must fight each other to exist, we will not love each other very hard. We can go to the same church and hear the same minister tell us in good conscience that we ought to love each other, and the next day we approach the edge of some business transaction. Do we remember what the minister told us? No, it is gone until next Sunday. Six days in the week we are following the Golden Rule reversed. Now, when we approach the edge of a business transaction in competition, what is more natural than that we should try to get the better of the transaction?—get the better of our fellow man?—cheat him if you can.

And if you succeed that fixes you as a successful business man. You have all the necessary qualifications. Don't let your conscience disturb you—that would interfere with business.

Competition was natural enough once, but do you think you are competing today? Many of you think you are competing. Against whom? Against Rockefeller? About as I would if I had a wheelbarrow and competed with the Santa Fe from here to Kansas City. That is about the way you are competing, but your boys will not have even that chance—if capitalism lives that long. You hear of the "late" panic. It is very late. It is going to be very late. This panic will be with us five years from now, and will continue from now till then.

I am not a prophet. I can no more penetrate the future than you can. I do study the forces that underlie society and the trend of evolution. I can tell by what we have passed through about what we will have in the future; and I know that capitalism can be beaten, and the people put ultimately in possession. Now, then, when we have taken possession, and we jointly own the sources and means of production, we will no longer have to fight each other to live; our interests, instead of being competitive, will be co-operative. We will work side by side. Your interest shall be mine and mine will be yours. That is the economic condition from which will spring the humane social relation.

When we are in partnership and have stopped clutching each other's throats, when we have stopped enslaving each other, then we will stand together, hands clasped, and we will be friends. We will be comrades, we will be brothers, and we will begin the march to the grandest civilization that the human race has ever known."

#### EUGENE V. DEBS

Eugene V. Debs, Socialist Party candidate for President, was born in Terre Haute, Ind., in 1855, and at the age of 15 years began work as a railway employe in the Vandalia railroad car shops. Afterwards he worked as fireman on a freight engine for several years and became a member of the Brotherhood of Locomotive Firemen. He was made editor of the Brotherhood Magazine in 1877 and three years afterward he was chosen general secretary and treasurer, a position which he occupied for thirteen years, resigning it in 1893 to organize the American Railway Union, which was intended to unite the railway workers of America in one great organization.

Within a year the Great Northern Railway strike was fought and won. Through this contest the wages of thousands of workers from St. Paul to the



Pacific coast were saved from reduction and the railway managers awoke to the fact that they had a new power with which to grapple.

In May, 1894 the famous Pullman strike occurred. Unable to effect a settlement by arbitration, the A. R. U. took up the matter in the national convention in session at Chicago in June. As a result a boycott was declared against the Pullman cars, to take effect June 26. Within a few days the entire railroad system of the country extending from Chicago West and South to the Gulf and Pacific coast was tied up and the greatest labor war in the country's history was on.

On July 2, 1894 Judges Woods and Grosscup, at Chicago, issued a sweeping "omnibus" injunction. Mr. Debs and associates were arrested for contempt of court, on alleged violation of the injunction. They were tried in September, but Judge Woods did not render a verdict until December, when he condemned Mr. Debs to six months' imprisonment, and his associates to three. The case was carried to the Supreme Court, which sustained the lower court, and in May, 1895, the imprisonment in Woodstock jail began. The term expired on November 22, 1895, and on the evening of that day the prisoner was tendered a reception in Chicago, the like of which that city had never seen.

Debs and associates were also indicted and placed on trial for conspiracy, and the trial continued until the evidence of the prosecution had all been heard, but suddenly, when the defense began to testify, a juror was taken ill during a temporary adjournment and the trial abruptly terminated in spite of all efforts of the defendants to have it continued. They were anxious to bring the General Managers' Association into court and show who were the real law breakers and destroyers of property. An acquittal by a jury upon substantially the same charge as that upon which they were imprisoned for contempt would have been fatal to Judge Woods.

On January 1, 1897 Debs issued a circular to the members of the A. R. U., entitled "Present Conditions and Future Duties," in which he reviewed the political, industrial, and economic conditions, and came out boldly for Socialism. Among other things he said: "The issue is Socialism vs. Capitalism. I am for Socialism because I am for humanity. The time has come to regenerate society—we are on the eve of a universal change."

When the A. R. U. met in national convention in Chicago, in June, 1897, that body was merged into the Social Democracy of America, with Debs as chairman of the National Executive Board. The following year (1898) the Social Democratic Party was started as the result of a split in the Social Democracy. In 1900 Debs was nominated for President as candidate of the Social Democratic

Party, which was afterward merged into what is now the Socialist Party. In June, 1908, he was again nominated for President by the Socialist Party.

During the past seven years Debs has devoted all his time to lecturing and writing for Socialism, and has also taken part in some notable strikes in the industrial and mining centers of the East and West. He has visited every state during his travels and carried the Socialist message into more places than probably any other man in America.

### BENJAMIN HANFORD

Ben Hanford, of New York, candidate for Vice-President on the Socialist Party ticket, has long been known as one of the hardest workers in the Socialist movement.

He combines to an exceptional degree the qualities of agitator, speaker and writer, and he is therefore a worthy companion to the presidential candidate, Eugene V. Debs.

Hanford has been a Socialist for over 14 years and a trades unionist for nearly twice that period. He was born in Cleveland, Ohio, 46 years ago, but began life as a wage worker in a country printing office in Iowa. He shortly afterward went to Chicago, where he joined the International Typographical Union, of which he has been a member ever since. He has worked in printing offices in every city east of the Missouri river.

Hanford became a Socialist in Philadelphia and upon removing to New York in 1892 not only continued his activity as a trades unionist, but threw himself into the Socialist movement with all the intensity and earnestness which has always characterized him.

Although he has never held an office in his union, and has never been a candidate for one, he has answered to the call of duty for the political working class movement several times. In 1898 he was the candidate of the Socialist Labor Party for governor of New York, but leaving that party the following year because of disagreement with its policy, he joined the Social Democratic Party (which is the official name of the Socialist Party in New York state) and in 1900 and 1902 was its candidate for governor. In the latter year the Socialist vote increased from 12,069 to 23,400, giving the party third place on the ballot in that state.

Hanford's writings have become deservedly popular, his "Railroading in the United States" winning distinction for its merit and originality. His "Jimmy Higgins" has appealed to all Socialists as a description of a type peculiar to the Socialist movement everywhere.

As a speaker it has been said of him, "Two qualities go to make Hanford a convincing and an inspiring speaker—a burning earnestness, as evident in his daily private life as in his appearance on the platform, and an ability to clothe his thoughts and feelings in the simplest and most direct language, so that no hearer can fail to understand.

"More than this, he is a workingman, a class conscious workingman, in every fiber of his being—living the life of the working class, thinking its thoughts and instinct with its feelings, full of its growing hope and self-reliance, hating class rule with all his soul and despising the sham and meanness and cruelty which are necessary to what is conventionally called 'success.' Thus he speaks for the working class when he speaks from his own experience, and he speaks in the sincere and unmistakable language of his class."



## CHAPTER XV

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# THE PEOPLE'S PARTY

For President

THOMAS E. WATSON, of Georgia

For Vice-President

SAMUEL W. WILLIAMS, of Indiana

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### PLATFORM OF THE PEOPLE'S PARTY, ADOPTED AT ST. LOUIS, APRIL 3, 1908

**Preamble.**—The People's Party of the United States, in convention assembled, at St. Louis, Mo., this 2nd day of April, 1908, with increased confidence in its contentions, reaffirms the declarations made by its first national convention at Omaha, in 1892.

The admonitions of Washington's farewell address; the state papers of Jefferson, and the words of Lincoln, are the teachings of our greatest apostles of human rights and political liberty. There has been a departure from the teachings of these great patriots during recent administrations. The government has been controlled so as to place the rights of property above the rights of humanity, and has brought the country to a condition that is full of danger to our national well-being. Financial combinations have had too much power over Congress, and too much influence with the administrative departments of the government.

Prerogatives of government have been unwisely and often corruptly surrendered to corporate monopoly and aggregations of predatory wealth. The supreme duty of the hour is for the people to insist that these functions of government be exercised in their own interest. Not the giver of the "thirty pieces of silver" has been condemned, but the "Judas" who received them, has been execrated through the ages. The sycophants of monopoly deserve no better fate.

**Money.**—The issuance of money is a function of government and should not be delegated to corporation or individual. The Constitution gives Congress alone the power to issue money and regulate the value thereof; we, therefore, demand that all money shall be issued by the government direct to the people without the intervention of banks, and shall be a full legal tender for all debts, public and private, and in quantity sufficient to supply the needs of the country.

The issuance and distribution of full legal tender money from the Treasury, shall not be through private banks, preferred or otherwise, but direct to the people without interest, for the construction and purchase of Federal and internal improvements and utilities, and for the employment of labor.

We demand that postal savings banks be established by the government for the safe deposit of the savings of the people.

**Land.**—The public domain is the sacred heritage of all the people and should be held for homesteads for actual settlers only. Alien ownership should be forbidden, and lands now held by aliens or by corporations, who have violated the conditions of their grants, should be restored to the public domain.

**Trusts and Monopolies.**—To prevent unjust discrimination and monopoly, the government should own and control the railroads and those public utilities, which in their nature are monopolies. To perfect the postal service, the government should own and operate the general telegraph and telephone systems and provide a parcels post.

As to those trusts and monopolies which are not public utilities or national monopolies, we demand that those special privileges which they now enjoy, and which alone enable them to exist, shall be immediately withdrawn.

Corporations being the creatures of government, should be subjected to such governmental regulation and control as will adequately protect the public.

We demand the taxation of monopoly privileges while they remain in private hands, to the extent of the value of the privilege granted,

We demand that Congress shall enact a general law uniformly regulating the powers and duties of all incorporated companies doing interstate business.

**Initiative and Referendum.**—As a means of placing all public questions directly under the control of the people, we demand that legal provision be made under which the people may exercise the initiative and referendum, proportional representation, and direct vote for all public officers, with the right of recall.

We recommend a Federal statute that will recognize the principle of the initiative and referendum, and thereby restore to the voters the right to instruct their national representatives.

**Labor.**—We believe in the right of those who labor, to organize for their mutual protection and benefit, and pledge the efforts of the People's Party to preserve this right inviolate.

We condemn the recent attempt to destroy the power of trades-unions through the unjust use of the Federal injunction, substituting government by injunction for free government.

We favor the enactment of legislation looking to the improvement of conditions for wage-earners.

We demand the abolition of child labor in factories and mines, and the suppression of sweat-shops.

We oppose the use of convict labor in competition with free labor.

We demand the exclusion from American shores of foreign pauper labor, imported to beat down the wages of intelligent American workingmen.

We favor the eight-hour work day, and legislation protecting the lives and limbs of workmen through the use of safety appliances.

We demand the enactment of an Employers' Liability Act within constitutional bounds.

We declare against the continuation of the criminal carelessness in the operation of mines, through which thousand of miners have lost their lives to increase the dividends of stockholders, and demand the immediate adoption of precautionary measures to prevent a repetition of such horrible catastrophes.

We declare that in times of depression, when workingmen are thrown into enforced idleness, that works of public improvement should be at once inaugurated and work provided for those who cannot otherwise secure employment.

We especially emphasize the declaration of the Omaha platform, that "Wealth belongs to him who creates it and every dollar taken from industry without a just equivalent is robbery."

We congratulate the farmers of the country upon the enormous growth of their splendid organizations, and the good already accomplished through them, securing higher prices for farm products and better conditions generally, for those engaged in agricultural pursuits. We urge the importance of maintaining these organizations and extending their power and influence.

**Courts.**—We condemn all unwarranted assumption of authority by inferior Federal courts, in annulling, by injunction, the laws of the States, and demand legislative action by Congress, which will prohibit such usurpation, and will restrict to the Supreme Court of the United States, the exercise of power in cases involving State legislation.

**Gambling in Futures.**—We are opposed to gambling in futures.



We present to all people the foregoing declaration of principles and policies as our deep, earnest and abiding convictions; and now, before the country and in the name of the great moral, but eternal power in the universe, that makes for right thinking and right living and determines the destiny of nations, this convention pledges that the People's Party will stand by these principles and policies in success and in defeat; that never again will the party be tempted by the siren songs and false promises of designing politicians to change its course, or be drawn again upon the treacherous rocks of fusion.

## CHAPTER XVI.

# GROVER CLEVELAND

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On the very eve of the National Democratic Convention of 1908, at Denver, Colorado, came the news that the only living ex-president of the United States, and the only Democratic president of the United States since the time of James Buchanan, had died at his home in Princeton, New Jersey.

Grover Cleveland, twice president of the United States, had for some months previous to his death been in bad health. But there was no suspicion sustained that his condition was a precarious one. Since his retirement from the presidency he had made his home at Princeton and only occasionally appeared in public, when his utterances were always received with the greatest attention and respect. In the years that have passed since he left the White House in 1896 he had steadily grown in public esteem, and while at the time of his retirement he was not in accord with many influential members of his party, the passing years had shown more and more conclusively that his views on the leading national issues were correct.

Mr. Cleveland died on June 24th, 1908. He was seventy-one years old at the time of his death, having been born at Caldwell, New Jersey, March 18, 1837. His father was a clergyman, a man with small means and with a large family, and in consequence the education of his sons was necessarily limited. Grover Cleveland worked on a farm in the summer and attended school for a few months in the winter until he was fourteen years old, when he obtained a position in a country store. In 1855, when seventeen years old, he went to Buffalo, where he decided to settle and had an opportunity to study law. After passing an examination through law he formed a partnership with two other lawyers, and in 1863 was appointed assistant district attorney of Erie county.

His first entrance into politics was in 1865, when he was defeated for the district attorneyship of Erie county. He returned to the practice of law, and in 1870 was elected sheriff. After the expiration of his term as sheriff, he again returned to the practice of law, and in 1881 was nominated on the Democratic ticket for mayor of Buffalo and elected by an overwhelming majority. He was the only man on the Democratic ticket to be successful, and this gave him an enormous prestige throughout the entire state. As a consequence the Democrats in 1882 nominated

him for governor of New York and he carried the state by a majority of 192,854. This put him in line for the presidency and in 1884 he was nominated at the Democratic convention, held in Chicago, on the second ballot. At the election held in November following he was successful, defeating James G. Blaine, the Republican nominee, and having 219 electoral votes against 182 for Blaine.

At the time of his election Mr. Cleveland was a bachelor. But the cares of office did not occupy all of Mr. Cleveland's time and it was only a short period after he had taken up the duties of the presidency that his engagement to Miss Frances Folsom became known. Miss Folsom was the daughter of a former associate of Mr. Cleveland's in the legal profession. Their wedding took place on June 2nd, 1886, at the White House, being the first and only instance when the chief magistrate of the republic celebrated his wedding during his term of office.

In 1888 Mr. Cleveland was again the nominee of the Democratic party for president, but was defeated by Benjamin Harrison. Upon retiring from the White House, Mr. Cleveland went to New York and renewed the practice of law, in which he continued for four years. In 1892 Mr. Cleveland was again nominated by the Democratic party for the president, and was again elected, assuming office March 4th, 1893. It was during his second term that the panic which swept the country took place. Hundreds of banks suspended payment and business of every kind was paralyzed. The situation was so serious that in August, 1893, the president called an extraordinary session of Congress and asked for monetary legislation which he had demanded in vain during his first term. Owing to the operations of the Sherman law, which made mandatory the purchase and coinage of a fixed amount of silver bullion each month, the treasury was being glutted with silver coin, and the gold was being drained out of the country. The special session repealed the Sherman act and Mr. Cleveland made an arrangement with bankers of New York by which a sum of gold amounting to about \$65,000,000 was added to the resources of the treasury. For this action he was sharply criticised and accused of having become a tool of the money power, but time demonstrated the wisdom of his course.

During his second term the policy of tariff reform, to which Mr. Cleveland was committed, was advocated vigorously, and after a most protracted fight in Congress—lasting over nine months—the Wilson bill was reported. This did not fully meet with Mr. Cleveland's views, but as it was the best legislation that he could possibly obtain, he signed the bill. His course on the money question and the tariff issue did not suit the radical element of the party, which at its national convention in 1896 adopted resolutions that were virtually an indictment of Mr. Cleveland.



Mr. Cleveland was a positive man and not an apologist for his positions. His assertion of the Monroe doctrine in the matter of Venezuela, warning Great Britain of the possibility of war, was one of the striking acts of his administration. He could not know what was going to become of this time honored tradition of the United States in the future of the presidency—but no more effectual assertion of the responsibility of the United States for the peace of this hemisphere was ever made. The immediate concession of the point by Great Britain gave the United States the warrant of a “world power” long before the “storm and stress” of the Spanish war.

Mr. Cleveland was a conservative by nature and inheritance, and when the radicalism which resulted in the nomination of Mr. Bryan took possession of the old democratic party, he practically bolted, withdrawing his support, aligned himself with the supporters of the gold standard and other conservative policies, and so marked the breaking point of the old democratic party. This is the conspicuous fact of his second administration. Some old issues of democracy remained—opposition to the high protective tariff—an opposition which since Garfield’s day had vanished from republican utterance—but it is true that the old democratic party was then hopelessly broken.

Mr. Cleveland wrote sententious messages and made concise speeches. He did not coin as many rhetorical phrases as his successor, McKinley, but his record is quite good in that line,—“innocuous desuetude,” “pernicious activity,” “it is a condition, not a theory, which confronts us,” will serve to recall his felicity in this line. One of the most remarkable effects he produced as a speaker was when, at the Washington inauguration centennial in New York city in 1889 he stirred the pulses of all his hearers with his confidence in the eventual recovery of the conscience of the voters of the republic. “No matter how far the people may stray, or seem to stray, from the path of honor,—they will return.” His ringing emphasis on “they will return” could never be forgotten. Much of his force as orator and statesman was derived from his thorough grounding in the law. He was a close reader of the authorities, and Blackstone was the foundation of his reading—the groundwork of his law. As governor of New York state this substantial mastery of his profession was of the utmost value to the state. It was he who began the practice of preventing the presentation of bills defective in point of law, both constitutional and statute. Mr. Cleveland as governor worked at his desk like a clerk, and in his shirtsleeves sat at his office desk for hours after the Albany capitol was deserted, working on bills which he must understand. When he was meeting the deluge of pension bills as president he gave up his time with the same thoroughness to the examination of each special

bill, returning with his disapproval one after another unjustified or fraudulent act. That the Congress passed them notwithstanding did not deter him from the fulfilment of his duty. This was one of his virtues for which he was most cordially abused. It will appear, on study of his state papers, that on the principles and text of the law he placed constant stress.

While Mr. Cleveland may not be placed among the greatest statesmen, he has a statesman's rank, for he dealt with important questions, for the nation and for the world, in no petty and parochial way, but broadly and strongly. Essentially, he had many of the characteristics of a great man—something different from a specialist in greatness, and depending upon the sweep and inclusion of the individual mind in the circumstances with which it has to deal. He made his mistakes, he had many lacks, but a more impressive and heroic figure than his has not held the executive office since Lincoln.

In his personal appearance Mr. Cleveland was very notable. He may have been a slender youth when he was a teacher of the blind, but he grew to be a massive and even corpulent man. He was of somewhat more than the average height; his hair was light brown; he wore only a moustache, which like his hair of course grew gray; his countenance was squarely set over a very thick throat, and he had a large head. His face, a score of years before his death, was lined with seams of hard work. Certainly, as he sat at a ceremonial dinner, when he was out of office, the feeling was irresistible that he was the important man.

Mr. Cleveland's personal life was absolutely simple and straightforward. His domestic life at Princeton, at Buzzard's Bay, at his New Hampshire summer home, or wherever else he has been known, has been a pleasure to read of. His friends have been choice spirits of the literary and thoughtful classes, but especially in his outings he has delighted in men of strong habit who shared his affection for field sports—for duck shooting, and fishing and such like recreations. "Joe" Jefferson was one of his choice companions in these voyages. He has enjoyed his opportunity from time to time of lecturing to schools and universities, especially at Princeton, where he dwelt so long and was most honored. He captured thousands of votes when he married Frances Folsom in 1886, in his first term, and the enthusiasm that then awakened has never had occasion for abatement. It proved a happy marriage, and the children will remember a good man, as well as a famous one, as their father.

It was in 1881 that Mr. Cleveland's political career entered upon that wonderful phase which led him within four years to the presidency of the United States. In 1881, the public-spirited citizens of Buffalo, regardless of party, determined to put an end to the corrupt administration of their city, and the nomination

of Mr. Cleveland for mayor so far appealed to the good citizenship of the community that he was elected by a majority of 3,500, although the republican state ticket received in Buffalo an average majority of 1,600. As mayor he was an emphatic success, his administration being one of the earliest to impress upon the American people the imperative necessity of municipal reform and the divorce of the public service from a gross and corrupt partisanship. Mayor Cleveland disregarded party ties, saved the city over a million dollars by his vetoes of corrupt schemes and bargains, and won the esteem and gratitude of all classes of people. A year and a half of this fearless work made him known as the "veto mayor" throughout the state, and it was the reputation thus acquired that quickly carried him into a broader field.

The political situation in the summer of 1882 was peculiar. The republican party was disorganized and demoralized by the assassination, the year before, of President Garfield, and the bitter factional war in New York state between the "stalwarts" and the "half-breeds," which had culminated in the defeat of United States Senators Conkling and Platt for re-election to the Senate after their sensational resignations upon the issue of senatorial control of federal patronage. President Arthur's accession to the presidency was marked by an effort to build up a federal machine subservient to the new President rather than to Mr. Conkling, the result being that the republican party in New York state was in a condition of paralysis owing to its feuds. In 1880, New York had been exceedingly close between the parties, Garfield carrying it by a plurality of about 21,000. In 1881, the republicans' plurality for secretary of state had dropped to some 13,000. The republican nominee for governor, in 1882, proved to be the secretary of the treasury in President Arthur's cabinet, Charles J. Folger, formerly a judge in New York, and consequently, as a candidate for governor, he had to bear the effects of all the factional animosity which his nomination inspired within republican ranks. The democrats nominated Mayor Cleveland of Buffalo. The late Abram S. Hewitt was the man most seriously considered as the democratic rival of Mr. Cleveland, but the Buffalo mayor was the more attractive because of his negative qualities of newness in the public eye and his lack of enemies in the part, besides his reputation as a reform administrator in his home city. The "veto mayor" was elected governor by the tremendous plurality of over 192,000 votes. It was a "tidal wave" democratic year, throughout the country, but Governor Cleveland's plurality in the great pivotal state of New York instantly made him a national figure and the future hope of the democratic party.

Governor Cleveland's administration at Albany followed essentially the prin-



ciples which had guided him as mayor of Buffalo. He was a new type. He was not a slave to the party bosses; he never forgot his own oath of office and his personal responsibility to the people; he used the veto power with a resolution and independence that attracted the attention of reformers everywhere, and inevitably he was quickly at swords points with the leader of Tammany Hall, the late John Kelly. The Tammany senator, Grady, was so obnoxious to Governor Cleveland that he wrote personally to Kelly asking that Grady be not allowed to return to the next legislature. Governor Cleveland's reputation as a civil service reformer was made when he signed the New York act of 1883 and prescribed the first rules for the application of the merit system to the civil service of the state. His vetoes included one of a bill reducing street railroad fares, which subjected him to attacks as an enemy of the wage earners, but at that time this act brought him praise for courage as well as censure, and it strengthened him with the independent republicans of the country. His vetoes always seemed to be a fearless exercise of the executive prerogative based on the governor's duty, as he saw it, under the law. Truckling to classes or bosses seemed foreign to his nature. Yet, as governor, Mr. Cleveland was not without expert political advice. Not a natural politician himself, in the ordinary sense, he was exceedingly fortunate in obtaining the friendship and services of two men—the late Daniel Manning and the late Daniel S. Lamont. Mr. Manning was then publisher of the Albany Argus, the democratic newspaper organ at the capital, and Lamont had been its legislative reporter. Both were complete masters of the intricacies of state politics, and both were very skillful politicians. Mr. Lamont became Governor Cleveland's private secretary. During the term as governor the power and scope of the insurance department were enlarged, a bureau of labor created, and laws for the preservation of the forests were passed. The charter of New York city and of other cities were changed so as to assure a greater centralization of power and responsibility in the mayor.

The term as governor was not half completed before the presidential campaign of 1884 began to engage the attention of the country. As Governor Cleveland's work at Albany was considered it became clear that he would be an important factor in the presidential situation. The nomination of Mr. Blaine by the republicans was already threatened, and it was evident that the hostility to him both among the New York "stalwarts" led by Mr. Conkling, and the reform republicans, whose leading spokesman was George William Curtis, would make New York a doubtful state. Governor Cleveland's enormous plurality in 1882 made him the logical democratic candidate, if the carrying of New York for the democratic presidential ticket was to be the most important work of the demo-

cratic campaign. Daniel Manning soon set to work as the chief political manager for Governor Cleveland. He had Tammany in opposition inside the state, and elsewhere in the country there were "favorite sons" whose claims were strongly urged. The general democratic sweep of 1882 had raised democratic hopes of success in 1884 to a high pitch. The action of the republican national convention in nominating Mr. Blaine for president, in spite of the protest of the independent republicans strengthened Governor Cleveland's chances. The independent republicans openly called for the governor's nomination, and it was already evident that he could split the republican party. The democratic national convention met at Chicago July, 8 1884, and Mr. Cleveland was nominated on the second ballot.

Mr. Cleveland's nomination in Chicago was accomplished against the most aggressive opposition of Tammany Hall, led by the veteran John Kelly. Tammany was in absolute control of the city of New York, where it required nearly 100,000 democratic majority to give the electoral vote of the state to a democratic candidate; but Manning and his associates, who were in the front of the battle for Mr. Cleveland, compelled Tammany to submit to having its votes in the convention cast for Mr. Cleveland under the unit rule. Kelly appealed to the convention until he became so hoarse that he could not be heard beyond his own delegation. Manning had a clear majority for Cleveland at his command, but he lacked the necessary two-thirds vote, and Randall, the Pennsylvania candidate for president, was brought hurriedly to Chicago, and after a personal conference at which only Randall and Manning were present, an arrangement was made by which Randall's support went to Cleveland on the second ballot, and that decided his nomination. The presidential campaign which followed was one of the most notable in American history.

It proved to be a campaign of personalities rather than of political principles, and the personalities were of a character which developed exceptional bitterness on both sides. Mr. Blaine's integrity and moral soundness as a public man formed the basis of the indictment which led to the celebrated mugwump revolt, led by Carl Schurz, George William Curtis, and others, and supported by a number of independent republican papers. While the candidacy of Mr. Blaine was on the defensive from first to last, on moral grounds, the republicans made a counter attack on Mr. Cleveland's private life. When Henry Ward Beecher wired to Mr. Cleveland concerning the correctness of a story which a Buffalo clergyman had put in circulation the governor sent back his famous reply: "Tell the truth." The correct version of the domestic affair which was then used to Mr. Cleveland's disadvantage was afterward embodied, it is understood, in the novel by Paul

Leicester Ford, entitled, "The Hon. Peter Stirling." The hero of the novel being drawn from Mr. Cleveland. The defeat of Mr. Blaine brought to an end the continuous supremacy of the republican party in the presidency for twenty-four years, and as an historical event it was of great importance. Many forces contributed to the democratic success, the most potent probably being the popular weariness of republican rule. Mr. Cleveland in that campaign was helped by certain negative qualities. Aside from the assault made upon his private character, he was but slightly open to attack. He was not of the civil war generation of public men, and his public career had been very brief. The outcome was not so much the triumph of Mr. Cleveland and the democrats as the defeat of Mr. Blaine and the republicans. New York State went democratic by an extremely narrow margin, so small that republicans have always believed that Rev. Dr. Burchard's unfortunate "rum, Romanism and rebellion" remark was enough to swing the state to the democrats. The electoral vote in the country was: Cleveland 219; Blaine 182. Mr. Cleveland carrying New York, Connecticut, New Jersey and Indiana in addition to the solid South.

It cannot be said that Mr. Cleveland was highly trained for the presidency. He had never been in Washington prior to his election as president in 1884, except for a brief visit in the '70s. His acquaintance with the public men of the nation was very limited. He was wise enough however, to take with him to Washington Daniel Manning, who became secretary of the treasury, and Daniel S. Lamont, who continued as his private secretary throughout the first Cleveland administration. In dealing with the democratic politicians of the country their aid was invaluable. Secretary Manning's death in 1887 was a severe loss to him. Throughout his first administration Mr. Cleveland confronted a republican Senate, and party feeling ran high. No great issues were presented until President Cleveland launched his celebrated tariff message in December, 1887. He was burdened with a great rush of democratic office-seekers, some of whom brought scandal upon his administration; and the Senate sought to embarrass him by demanding papers concerning removals and appointments.

Some of the leading events of his first administration may be briefly chronicled as follows: Became President March 4, 1885; presidential succession changed to cabinet officers January 19, 1886; investigation of "Pan-*Electric*" case, February 26; repelled assertion of the power of the Senate over removals in "innocuous desuetude" message, March 1; proposed to Congress a labor arbitration measure, April 22; married in the White House, June 2; warned office-holders against "pernicious activity" in politics, July 14; the increase of the navy authorized, August 3; interstate commerce commission established, February 4, 1887; de-



pendent pension bill vetoed, February 11; agricultural experiment stations established, March 2; tenure of office act repealed, March 3; redemption of trade dollars authorized, March 3; countermanded order returning southern battle flags, June 16; recalled acceptance of invitation to attend national encampment of Grand Army at St. Louis, July 4; participated in the centennial of the constitution, September 15; tour of the West and South began, September 30; famous low tariff message, "A condition, not a theory, confronts us," December 6; appointed L. Q. C. Lamar to supreme bench, January 7, 1888; appointed Chief Justice Fuller, April 30; second re-nomination for President at St. Louis, June 13; forfeiture of railroad land grants declared and 80,000,000 acres in all restored to public domain, June 30; Mills tariff bill passed the House, July 21; recommended retaliation upon Canada in fisheries dispute, August 23; approved Chinese exclusion act, September 13; longest session of Congress in history ends, October 20; requested the recall of Lord Sackville, British minister, October 30; defeated for re-election in electoral college, but received 100,000 plurality of popular vote November 6; brought the railway mail service under civil-service system, December 5; agricultural bureau became a full cabinet department, February 12, 1889; approved preliminary act for admission of North and South Dakota, Montana and Washington as states, February 22; vetoed bill refunding the direct tax to the states, March 2; retired from the presidency, March 4.

In President Cleveland's second annual message to Congress, he first turned his attention to transportation problems. He pointed out that the Supreme Court having decided that the laws of the several States are inoperative to regulate rates of transportation if such regulation interferes with the rate of carriage from one state to another, a great field was left unoccupied. His suggestion that Congress consider the expediency of federal action was followed by legislation establishing the interstate commerce commission.

In his first administration Mr. Cleveland antagonized the Grand Army by his pension vetoes, while his low tariff message at once aroused the protectionists of the country and made the tariff the leading issue in the election of 1888. Yet he proved, on the whole, so strong an executive and so capable a political leader that he was defeated for re-election by Benjamin Harrison only with the greatest difficulty, and his popular vote exceeded Harrison's by about 100,000. At the time the democratic politicians held his tariff message responsible for the defeat. After his retirement from office Mr. Cleveland went to New York City and practiced law for four years. The defeat in 1888 was accepted by most of the democratic leaders as finally disposing of him as a national factor in the democratic party.

The democratic victory in the elections of 1890, immediately following the enactment of the McKinley tariff law, was so tremendous, however, and it had indicated so strong a popular revulsion on the tariff question that Mr. Cleveland's third nomination was seen to be essential to party success. Despite the sharp opposition of Hill of New York, who secured the New York delegation for himself, and that of the senatorial coterie headed by Mr. Gorman of Maryland, Mr. Cleveland's manager, William C. Whitney, was successful in effecting Mr. Cleveland's nomination in 1892, on the first ballot. The New York delegation made a desperate contest against it, openly declaring that he could not carry New York state. The Cleveland victory in 1892, was tremendous. Populism in the West had already developed and this new force undermined the republican strength in the prairie states. The republican party also was honeycombed with silverism in the West, and, notwithstanding Mr. Cleveland's personal hostility to free silver, his own party solidly supported him on the tariff issue. The result was his election by 227 electoral votes to 145—Weaver, populist, getting 22.

The second administration of President Cleveland was stormy and bitterly disappointing to a great portion of the democratic party. It was handicapped at the outset by the panic of 1893, and the ensuing business depression, for which the republicans held the president responsible. The president soon fell into a struggle over silver with the Southern and Western wing of the democratic party, and this resulted in a party split that left him without adequate party support in Congress. The elections of 1894 went heavily against the democrats, placing the republicans in control of both Senate and House. The labor troubles in Chicago, in 1894 turned organized labor against the administration. The Hawaiian policy of the president and Secretary Gresham was not popular. The Wilson tariff bill was turned into a protectionist measure by democratic senators, led by Mr. Gorman, to Mr. Cleveland's bitter disappointment; and he refused to sign the bill, allowing it to become a law without his signature. The Supreme Court completed the wreck of democratic law making by declaring the income tax feature of the new tariff law unconstitutional. The most popular act of the second administration was the Venezuelan message, which however, was very trying to the peace loving portion of the people. The Cuban insurrection, which began in 1895, was dealt with correctly by Secretary Olney, but popular sympathy did not respond to the administration's efforts to maintain neutrality and observe the nation's treaty obligations to Spain. Yet, despite all the sources of unpopularity, the second administration gained the warm esteem of conservative people, even in the republican party, especially because of its heroic defense of the gold

standard and the firm and drastic measures taken in dealing with the so-called Debs railroad strike in 1894. The main features of the second administration, chronologically, were as follows:

Inaugurated, March 4, 1893; withdrew the Hawaiian treaty of annexation, March 9; sent Mr. Blount as special commissioner to investigate Hawaiian question, March 20; opened the World's Fair at Chicago, May 1; the gold reserve fell below \$90,000,000 and panic of 1893 increased June 8; extra session of Congress began, August 7; urged repeal of Sherman silver purchase act August 8; currency famine, August 10; repeal bill introduced in the House, August 11; House passed repeal bill August 28; Secretary Gresham outlined a plan for reinstating the Hawaiian queen, October 18; silver repeal bill became a law, November 1; approved Geary Chinese exclusion act, November 3; nomination of Hornblower for Supreme bench rejected by the Senate, January 15, 1894; first issue of bonds, \$50,000,000, January 17; Wilson tariff bill passed the House, February 1; approved the repeal of federal election laws, February 8; nomination of Peckham for supreme bench rejected February 16; nomination of Justice White confirmed, February 19; Coxey's army of the "commonweal" started from Ohio to Washington, March 25; vetoed Bland bill for coinage of the seigniorage, March 29; Kelly's industrial army started from San Francisco for Washington, April 3; Coxey and his staff arrested and imprisoned for trespassing on the capitol grounds, May 1; injunctions issued restraining Eugene V. Debs and others from interfering with mail trains, July 2; federal troops ordered to Chicago, on account of the railroad strike, July 3; the Senate passed the amended tariff bill, July 3; Governor Altgeld protested against troops in Chicago, July 5; proclamations of the president against unlawful assemblages in the strike regions, July 8-9; the leaders of the strike indicted for conspiracy, July 10; the President denounced the amended tariff bill as the product of "perfidy and dishonor," July 19; the republic of Hawaii recognized, August 8; the tariff bill became a law without the president's signature, August 27; second issue of bonds \$50,000,000, November 13; the internal revenue force brought under civil-service system, December 12; third bond issue, \$62,400,000, February 8, 1895; Cuban revolution inaugurated, February 24; Supreme Court declared income tax unconstitutional, May 20; China thanked the President for promoting peace in the Orient, June 7; pension department employes brought within civil-service rules, July 19; all consuls with salaries of less than \$2,500 brought under civil service rules, September 23; the President's famous message on the Venezuelan boundary dispute, December 17; fourth issue of bonds, \$100,000,000, January 6, 1896; practically all subordinates in the civil service of the government brought under the rules of the civil service com-



mission, May 6; republican national convention declared for gold, June 18; democratic national convention declared for silver, July 10; Hoke Smith resigned from cabinet to support Bryan, September 1; gold democratic convention at Indianapolis, September 2; the President declared for Palmer and Buckner, October 6; treaty of arbitration between England and Venezuela, February 2, 1897.

Mr. Cleveland's two administrations were separated by an interval of four years, but in reviewing them together certain marked features appear. He entered office a civil-service reformer. During his second administration the system of appointment for merit, to be ascertained by competitive examinations, had been extended to embrace 84,239 positions in the public service. It is true that some of the appointments during the first administration were severely criticised. During his second administration the wholesale changes in the consular service were also criticised, but on the whole, President Cleveland left office finally with the civil service much purer and stronger than when he entered it. He made vast additions to the classified service.

The money issue was forced upon President Cleveland by events. During the administration of Harrison a bill was passed, known as the Sherman Silver Purchase act, which provided for the compulsory purchase by the government of 4,500,000 ounces of silver a month, and the issue of paper in payment for it. The government, in the same act, pledged itself to maintain the parity of the two metals at the ratio of 16 to 1. But our creditors abroad and the American holders of accumulated property began to fear that it would be impossible to keep this pledge. The silver coinage partisans continued their agitation. When Mr. Cleveland took office in March, 1893, he had to confront a business situation very difficult from that which existed when he became president in 1885, or left that great office in 1889. The treasury reserve was steadily diminishing. It had been given even a nominal existence only by a change in treasury accounts which brought into reckoning all the small change in the government till, and treated the fund for the redemption of national bank notes as an asset instead of a liability. Bankers and merchants were failing. Gold was no longer paid in the treasury, which was receiving almost all its dues in silver and paper; and it seemed that unless a speedy change should be made in our financial system the pledge of the act of 1890, to maintain the parity of the two metals, would be dishonored and the government would be compelled to redeem its obligations only in discredited silver and coin or irredeemable paper.

From the position of the utmost hostility to free silver coinage he never swerved, and the severest strain of his second administration was in maintaining the gold reserve by means of costly bond issues: The final break with his party

at the democratic national convention of 1896 was precipitated by Mr. Cleveland's consistent attitude on this question.

The foreign policy of the two Cleveland administrations was, on the whole, creditable and conservative. The new navy received a strong impetus under Secretaries Whitney and Herbert. The result of the Bering Sea arbitration certainly justified the course of the first administration, and showed that negotiations would have been a more effective method of protecting the seals from extermination than the unfounded claim to exclusive sovereignty over that portion of the North Pacific, west of Alaska. The celebrated Venezuelan message drew down upon him a storm of censure from those who before had been his steadfast friends. The language of that message might have been more moderate without prejudice to the cause, and it must be admitted that it carried the Monroe doctrine further than it had ever been before. The injury to business interests which the apprehension of war with Great Britain occasioned was undoubtedly considerable. But if success is any test of the merit of the measure it certainly has justified the message in question. What Evarts, Frelinghuysen, Blaine and Bayard had failed to accomplish was at last achieved. The Venezuelan treaty was one of the most honorable conclusions of a difficulty between two great nations that has ever been reached. Of the effect of his message President Cleveland himself wrote in his "Presidential Problems:" "It has established the Monroe doctrine on lasting foundations before the eyes of the world; it has given us a better place in the respect and consideration of the people of all nations, and especially of Great Britain, it has again confirmed our confidence in the overwhelming prevalence among our citizens of disinterested devotion to America's honor, and at last, but not least, it has taught us where to look in the ranks of our countrymen for the best patriotism." The Hawaiian policy was marked by an idealism that was not practical in its effort to restore Queen Liliuokalani to the throne, but the recognition of the Hawaiian republic was statesmanlike. In that affair President Cleveland foreshadowed his hostility to the Oriental expansion which was brought about by the Spanish war and his successor's diplomacy. In January 1897, a general arbitration treaty, negotiated by Secretary Olney and Sir Julian Pauncefote, the British ambassador, was submitted to the Senate. In the Senate the treaty was so amended as to render it improbable of acceptance by Great Britain, but even in this form it was eventually rejected.

In the Presidential campaign of 1896 President Cleveland repudiated the platform and ticket of the democratic party and supported the ticket for Palmer and Buckner, gold democrats. After his retirement from office, in March 1897, he settled at Princeton, New Jersey. There he lived quietly. The ex-president's

principal activity, outside of his own home, was in connection with the trusteeship of the Equitable Life Insurance Society. When control of that company was bought by Thomas F. Ryan, after the insurance scandal of 1905 had disrupted the whole business world, the new owner of the majority stock named three trustees to represent the control. They were Mr. Cleveland, ex-Justice Morgan J. O'Brien and George Westinghouse. Mr. Cleveland accepted the trust he said at that time, as a matter of public duty. In 1904, he actively supported Judge Parker's candidacy for President, and made several speeches in New York and New Jersey in his behalf. Mr. Cleveland had published two books, "Presidential Problems" (1904), a volume of addresses and "Fishing and Hunting Sketches" (1906). He also in later years wrote somewhat for periodicals. Mr. Cleveland's marriage on June 2, 1886, at the White House, to Miss Frances Folsom, was most happy, and five children came from it—Ruth, Esther, Marion, Richard and Francis, the eldest having died some years ago. Princeton University gave him the degree of L. L. D. in 1897, and he was a trustee of that institution.

On receipt of the news of Mr. Cleveland's death President Roosevelt issued a proclamation deploring the loss to the nation and ordering the flags placed at half mast for thirty days on all government buildings. He also ordered a military guard of honor for Mr. Cleveland's funeral, and personally attended it, with many of the foremost statesmen of the country, irrespective of party lines. Mr. Cleveland was interred at Princeton.



## CHAPTER XVII

# A REVIEW OF STATESMANSHIP

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*A Vivid and Connected Story of the Statesmanship that Swayed the Great Movements During the Progress and Development of Our Nation from the Administration of George Washington to that of Theodore Roosevelt.*

The History of the United States is brilliant with the achievements of statesmen unexcelled by leaders of men in any other nation in the world.

Washington, Jefferson, Madison, Franklin, Hamilton, Patrick Henry and their great colleagues of the Colonial period gave the world the first demonstration of the greatness of American statescraft by founding the only genuine republic the world has ever known and one that has grown in strength and magnitude until it ranks as the first in world power among the nations of the earth.

After achieving the independence of the country by successful revolution the first great problem of statesmanship that confronted the founders of the American Republic was to insure the stability of the government by giving the people full representation in its affairs and providing a plan for just and equal taxation which could be rightfully enforced.

Under the original articles of confederation, each state while co-operating with the general government was a law unto itself. The general government did not represent the individual, and hence great difficulty arose in obtaining popular consent to revenue measures. There was no means of justly determining the amount of general taxation each state should bear and no means of enforcing tax levies in any state against the popular will.

In this chaotic condition of affairs American statesmanship had its first severe test and rose supreme to the occasion. A Federal convention was called to meet in Philadelphia and after a four months' session with George Washington in the chair framed the Constitution of the United States, which set the weak and tottering republic upon its feet.

American statesmanship having conceived and brought forth a sound and enduring system of government, a grand opportunity was presented for the display of statesmanship in executing and perfecting the new order of things. American

statesmen were needed to carry on the work so auspiciously begun and they were not lacking.

Under the Judicial System established by the Constitution that branch of government was given power to speak the final words concerning the Constitution itself. A man was needed at the head of that tribunal who should be not only a great jurist but a great constructive statesman, and he immediately appeared upon the scene in the person of John Marshall, the first great interpreter of the Constitution.

Financially, the new government was in a bad way. A man was needed who should not only be a great financier but a great constructive statesman as well—one who could devise a system that should make the new government as sound financially as the Bank of England. Alexander Hamilton met the need of the government in this respect and enrolled his name forever high up on the scroll of American statesmen. Daniel Webster said of him: "He touched the corpse of public credit and it sprang upon its feet."

Probably one of the most unselfish exhibitions of statesmanship in the early history of this country was given by John Adams while filling the office of President. While the whole country was clamoring for war with France, and although such a war would have insured Adams' re-election, he negotiated an honorable peace with the crafty Talleyrand, thus averting bloodshed and destroying his own chances of again occupying the chief executive's chair.

In this early period of the nation's history ample proof was given that statesmanship was not confined to the members of any one party. The Federalist party, which controlled the government under the first two presidential administrations had shown that it possessed many men of pure patriotism who were statesmen in the highest and best sense of that word. The opposing party—the Republican, afterwards Democratic-Republican and later Democratic—was now to give evidence that it had for leaders men who were the peers of the greatest among the Federalists.

First and foremost of these was Thomas Jefferson, the first American statesman to give character to the government as a "government of the people for the people and by the people." Despite his rivalry with Hamilton in Washington's cabinet, despite his opposition to John Adams, he had been one of the most useful of the earlier statesmen in framing and directing the new government.

A plain and simple man himself, but a scholar, a scientist and a genius in statescraft, he abhorred the pomp and ceremony incident to official life. Having abolished kings and courts Jefferson saw no reason for adhering to kingly and courtly customs.

When it is considered, however, that the fathers of the Republic had been English Colonists, that their government was necessarily somewhat a copy of the British government and that the customs of royalty and nobility had long prevailed on their soil, it is altogether natural that these should exist to some extent in the new republic. Against pomp and ceremony, extravagance and display in official life Jefferson resolutely set his face, and Jeffersonian simplicity has been a party slogan and a practical precept from that day to this. By practicing what he preached Jefferson imparted to the humblest and simplest citizen a vital interest in the government and clothed him with a dignity he might not otherwise have possessed.

Jefferson was as protean as a statesman as he was versatile as a man. He was the first American statesman to declare that the United States had the power to prohibit slavery and ought to use that power. The force of this declaration was felt later, in the American Civil War and the period immediately preceding it when thousands of Democrats allied themselves against slavery.

Jefferson was the first American expansionist and under his presidency the United States acquired by purchase the vast Louisiana territory which doubled the area of the United States and made this country the granary of the world. Through his foresight in sending out the Lewis & Clark expedition the country eventually acquired Oregon. He abolished the custom of paying tribute money to African pirates although it cost the nation a war with the Tripolitan states. His life and his precepts have been as a cloud by day and a pillar of fire by night to the American people. Neither time nor distance have dimmed the luster of his fame as a statesman.

The learning and brilliant intellectual powers of James Madison were brought into play in framing the Constitution and all of his acts in the initiative and formative period of the nation mark him as a statesman of the highest order.

One of the early problems which confronted the statesmen of America was that of National Security. This was seriously threatened at the close of the war of 1812-15 when Russia, Prussia and Austria under an agreement known as the Holy Alliance undertook to aid Spain in suppressing rebellion among her colonies in South America and to assist in re-establishing and supporting monarchy upon this continent. The obvious result of such a policy if carried out would be to endanger the independence of the American Republic. It was an occasion that called for a statesman, and the country had a man ready for the emergency—James Monroe. In a message to Congress he announced the doctrine with which his name is inseparable that the United States no longer regarded any section of this continent open to European colonization and would resent any attempt of a foreign power to interfere with any independent American government.



Despite the weakness of the nation in a military sense, the declaration was respected by European nations and the Monroe Doctrine has become the fixed policy of the government. Doubtless the naval victories of Hull and Perry and the overwhelming defeat of the British by Andrew Jackson at New Orleans had a salutary effect at the time upon the unholy monarchs who had formed the "Holy" Alliance.

In Monroe's administration another question of national policy which required the highest statesmanship to determine—the question of the extension of human slavery. Maine was asking for admission to the Union. Missouri, another territory carved out of the Louisiana Purchase, craved admission as a slave state. The advocates of slavery solidly opposed the admission of Maine unless Missouri were admitted under the terms proposed. Sectional feeling ran high and but for the satisfactory adjustment of the dispute the Civil War might have been precipitated at that time. It was an occasion for a statesman and the man who was ready to "take occasion by the hand" was Henry Clay. His plan was the historical Missouri Compromise under which the state named was admitted as a slave state, but with the farther provision that slavery was forever prohibited north of the parallel 36° 30'—which became known as the Missouri Compromise line. This result Clay accomplished by almost superhuman effort and earned for himself the soubriquet of the "Great Pacificator" in addition to the "Millboy of the Slashes" and the "Great American Commoner" which titles had been bestowed upon him by affectionate and enthusiastic followers. Clay enhanced his reputation as a statesman while serving as Secretary of State in the cabinet of John Quincy Adams, and the crowning act of his long and useful career was another compromise measure with reference to slavery—the celebrated Compromise of 1850. His statesmanship had already averted Civil War between the North and South for thirty-years, and the compromise of 1850 postponed it a decade longer. Under the terms of this Compromise the Fugitive Slave was passed and two territories were created without any prohibition of slavery. On the other hand the slave trade was abolished in the District of Columbia and California was admitted to the Union as a free state.

Aside from the questions of slavery and states rights, one involving the other, probably no question of national policy has aroused more widespread discussion and made or unmade men in public life than the question of Tariff. On this question as on the slavery question the attitude of Henry Clay was that of a compromiser.

The tariff question began to assume proportions as an issue as early as 1829 and from the Civil War to 1896 has been the chief issue between the two leading political parties. The Republicans have invariably stood for a high tariff and the

Democrats for a low tariff. The reason advanced by the former has been to afford protection to American manufactures against foreign competition. The reason given by the latter is that any tax upon commodities beyond the revenue needs of the government is an unjust tax. The first high tariff bill was passed in 1824 in answer to a demand from New England manufacturers. After the war of 1812 the thrifty New Englanders turned their attention to manufacturing and in the decade following hostilities had succeeded in establishing numerous industries of that character in a small way.

Four years after the passage of the high tariff act another tariff bill was passed which largely increased the duties on many commodities. The South was practically without manufactures of any kind and hence had no local interest to be served by a protective tariff.

A general protest went up from the Southern states against what they called the "tariff of abomination." The controversy which followed brought forward three men now famous in the annals of statesmanship—John C. Calhoun, Robert G. Hayne and Daniel Webster—and revived an old issue under the guise of the doctrine of nullification.

Calhoun and Hayne held that a state had the right to pass upon the constitutionality of any act of Congress and if any act were found to be unconstitutional to declare it null and void so far as that state was concerned. It was the doctrine not only of State's rights but of state supremacy within its borders. South Carolina seriously proposed to nullify an act of Congress by refusing to allow the new tariff duties to be collected at state ports. This raised the higher question—the most vital question that can be raised in this republic—the preservation of the American Union. The debates between Webster and Hayne upon this issue are masterpieces in the literature of statesmanship. In all the patriotic literature of America there is nothing finer than the peroration of Webster's reply to Hayne with the sole exception of Lincoln's Gettysburg speech. After a masterly argument Webster said in closing:

"When my eyes shall be turned to behold, for the last time, the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious union; on states dissevered, discordant, belligerent; on a land rent with civil feuds, or drenched, it may be with fraternal blood. Let their last feeble and lingering glance rather behold the gorgeous ensign of the Republic, now known and honored throughout the earth still full high advanced, its arms and trophies streaming in their original lustre, not a stripe erased or polluted, nor a single star obscured—bearing for its motto no such miserable interrogatory as—What is all this worth? Nor those other words of delusion and folly—Liberty first and Union afterwards—

but everywhere, spread all over in characters of living light, blazing on all its ample folds as they float over the sea and over the land, and in every wind under the whole heavens that other sentiment dear to every true American heart— Liberty and Union, now and forever, one and inseparable ”

But the question of nullification was not to be settled either by the magnificent eloquence of Webster nor the subtle arguments of Calhoun and Hayne. Another figure injected himself into the controversy and spoke the deciding word.

Andrew Jackson had come to the presidential chair. His rank in history is that of a soldier rather than a statesman, and yet if statesmanship consists in the formulation and advocacy of sound policies of government the hero of New Orleans must be accredited a statesman in this instance and in several others as well. Although an opponent of high tariff he was first of all a patriot, and his public announcement that “the Union must and shall be preserved” had a dampening effect upon the nullifiers. Later when the State attempted to put its nullification sentiments into practice Jackson suddenly put an end to nullification by sending a naval force to the principal seaport and issuing a warning that the Federal laws would be enforced at all hazards.

At least one act of statesmanship can be credited to the administration of Martin Van Buren. The United States bank which was a part of the financial program of Alexander Hamilton had been wiped out by the arbitrary acts of Jackson. In place thereof Martin Van Buren devised the plan for United States sub-treasuries and established branches of the national treasury in the principal cities, since which time the government has been out of the banking business.

With the exception of the settlement of the Northern boundaries of Maine and Oregon by Daniel Webster, the administration of John Tyler added no achievements to American statesmanship either through diplomacy or otherwise.

Polk’s administration added to the territorial expansion of the United States through the war with Mexico, and Taylor’s and Fillmore’s no achievement of any kind beyond the Compromise of 1850.

In the Pierce administration the question of Negro Slavery which had long been a live issue was revived with vigor. Controversy upon this vital subject was renewed with increasing fury by the successful attack of Stephen A. Douglas upon the Missouri Compromise. This attack was in the form of what was known as the Kansas-Nebraska bill by which two territories bearing those names and both lying north of the Missouri Compromise line were given local option in the matter of slavery. By the passage of this bill the Missouri Compromise was repealed and citizens of the new territories were given the right of Squatter Sovereignty—that is they were permitted to say for themselves whether or not slavery should be per-



mitted within their borders. The guerrilla warfare and bloody riots which followed between the pro-slavery and the anti-slavery men in the two territories constituted the prelude to the great Civil War which was so soon to follow.

They had the effect also of bringing to the fore the leaders of the abolition movement, many of whom wrote their names high on the scroll of American Statesmanship. Conspicuous among them was Charles Sumner of Massachusetts whose powerful philippics against slavery constitute some of the most statesmanlike literature in the history of the country. His noble efforts in this direction were ably seconded by others, many of whom were not in public life—men like William Lloyd Garrison and Wendell Phillips. During the Buchanan administration the conflict between the supporters and antagonists of slavery waxed fiercer and fiercer.

The most radical slavery men had united in forming the Republican party and had brought forward as a candidate for president General John C. Fremont, the renowned soldier and western explorer. His defeat by Buchanan left the country in a chaotic condition on the most vital question of the time. The Buchanan administration contributed nothing to American statesmanship. It simply drifted.

In the meantime the nation was approaching the greatest crisis in its history. The time was drawing near when only a statesman of transcendent genius might preserve the life of the republic founded by Washington. Already, the man who was to deliver the nation out of the night by threatened disunion was preparing himself for the struggle. On the broad prairies of the West his magnificent abilities were already recognized and his name was a synonym for public confidence. When the hour struck, Abraham Lincoln, the master mind of American statesmanship answered the call, and "with malice toward none and charity for all" guided the nation through its years of greatest peril.

To write in detail of the acts of statesmanship of Abraham Lincoln would be to write the whole history of his public career. His first utterances as president breathed the loftiest patriotism. With the power of a great nation behind him he bore in his hands the olive branch of peace. Goaded to war he refused to take the initiative. And when the war cloud burst in fury he pursued his steadfast purpose without passion or thought of vengeance.

No other statesman in America has ever had to grapple with as many, as varied and as perplexing problems as Lincoln had to solve, and perhaps none other than a Lincoln would have been equal to them.

The problem of financing the war was a gigantic one, but Lincoln solved it by the Legal Tender Act which provided for issues of "greenbacks." When Lincoln was asked what he had behind this fiat money his answer was, "a million men."

England was hostile to the Union from the first and the Trent affair gave that country fresh opportunity to display its enmity.

It is not too much to say that Lincoln's diplomacy saved the Northern states a war with England at the outbreak of the Confederacy. The documentary evidence of this is found in a letter drafted by William H. Seward, Secretary of State, to Charles Francis Adams, the American minister at the Court of St. James, containing full instructions concerning his representations to the British government.

Seward was the most adroit diplomat of his day, but it is now conceded that his letter in all probability would have precipitated a war with England but for the fact that Lincoln carefully revised the document and smoothed the rough edges. In doing so he did not recede an inch from the position taken.

The statesmanship of Lincoln was forcefully supplemented by Seward in the State Department, Stanton in the War Department and Chase in the Treasury Department.

Two of the most notable achievements under their administrations were the purchase of Alaska from Russia and the passage of a National bank act.

The reconstruction period following the Civil War presented new problems of statesmanship many of which were not satisfactorily solved until the administration of Grant, although important amendments were made to the constitution in the Johnson administration.

One act of the Johnson administration stands out boldly in the records of American statesmanship in upholding and maintaining what had become a fixed policy of the American Nation—the Monroe Doctrine.

The occupation of Mexico by the French under the Emperor Napoleon III, and the setting up of a monarchy in our sister republic with the Austrian Archduke Maximilian upon the throne was obnoxious to the American idea of representative government. The Buchanan administration with the victorious armies of Grant at its command was able to cause the withdrawal of the French without embroiling the nation in a war.

Prominent among American statesmen in the Grant administration was Hamilton Fish, who instituted the policy of arbitration by concluding an agreement with Great Britain to submit the Alabama claims to a board of arbitrators. While the United States won a victory and was awarded \$15,500,000, known as the Geneva award, for damages inflicted by the Confederate Cruiser Alabama, the greater victory consisted in the example which the two great English speaking nations set the rest of the world by the method they adopted of settling their differences. The policy of the Grant administration in Indian affairs was highly statesmanlike. For the first time the aboriginal wards of the government were dealt with in a spirit

of humanity and kindness, and the pursuance of this policy doubtless averted much bloodshed upon the western frontier.

The administration of President Hayes added nothing to the achievement of American statesmanship, although eminently respectable, and so far as the acts of the chief executive were concerned, eminently satisfactory.

General Garfield had already won renown in Congress before he was called to the presidency as a patriot and a man of statesmanlike qualities, but his assassination followed so quickly upon his election as president that the greatest opportunities in the field of statesmanship were denied him. His secretary of state, however, James G. Blaine, ranked as the leading statesman of his day. Blaine's championship of reciprocity in trade has borne fruit in commercial treaties with all of the principal nations and in cementing a friendly Pan-American sentiment.

To President Arthur must be accredited the signing of the Civil Service Act, although the principal credit is with its author George H. Pendleton (then a Senator from Ohio) and known by the soubriquet of "Gentleman George."

The administrations of Grover Cleveland so far as they developed acts of statesmanship may be considered together. Probably the most important act of his first administration was the Chinese Exclusion Act of 1888.

One of the most important and far sighted measures of modern statesmanship was the Interstate Commerce Act of 1887 of which Shelby M. Cullom of Illinois was the author. Out of that act has grown all the measures for the regulation of interstate commerce and legislation to curb unfair discrimination on the part of corporations. Senator Cullom justly earned the title of the father of the latter day doctrine that the government is greater than the corporations.

The conspicuous acts of President Cleveland's second administration were the maintenance of the National credit and a reiteration of the Monroe doctrine with a broader construction than had ever been given that famous document.

Although the government of the United States was not committed to the financial policy of making all its obligations payable in gold until the administration of President McKinley, the movement to put the currency of the country upon a gold basis was inaugurated by Grover Cleveland, and given an impetus by him which finally accomplished that result.

The new enunciation of the Monroe doctrine is found in a message sent by Richard Olney, Secretary of State under Cleveland, to the British government concerning a threatened encroachment upon the rights of Venezuela, in which occurs this remarkable and significant declaration:

"The United States is practically sovereign on this continent and its fiat is law."



This interpretation of the famous doctrine is now generally understood and accepted in all foreign countries.

The administration of Benjamin Harrison was one of the most quiet and conservative the country has experienced. It has taken place in history also as one of the best business administrations, but was not marked by any incident or act that called for any display of those unusual qualities ascribed to statesmanship.

The events in the administrations of President McKinley are still fresh in the public mind. Long before he was called to the presidency his name was a synonym for the protective tariff policy and ranked high among modern statesmen.

The one event in his administration which overshadows all others is the Spanish American War. In his efforts to avert that war he displayed the highest qualities of statesmanship, diplomacy and humanitarianism. When war became inevitable he prosecuted it with vigor, and when victory was achieved displayed the greatest magnanimity toward the vanquished. Through his insistence this government kept faith with Cuba and granted the island independence. Spain was paid a liberal sum for her Philippine possessions. Porto Rico alone was made territorial conquest.

Through the sagacity and wisdom of McKinley the country entered upon an unexampled era of prosperity and for the first time in its history gained universal recognition as a "world power." The new era of territorial expansion instituted a new era of trade expansion and in the markets of the world American tradesmen for the first time took first rank.

The effort of Grover Cleveland to commit the finances of the country to a gold basis was consummated under the McKinley administration.

Whatever differences may have existed among the American people concerning the statesmanship of McKinley and the policies of his administrations, he went to his untimely grave beloved and lamented by all classes, and the tremendous commercial impetus he gave the country continued through the administrations of his predecessor.

During his first administration President Theodore Roosevelt made an earnest and successful effort to continue the policies of McKinley. When he came to the presidency by election and entered upon his second term his own tremendous personality became the chief characteristic of his administration.

His greatest achievement was to constitute himself an intermediary in the Russia-Japanese War, thereby bringing that bloody contest to an end and impartially aiding both nations to conclude an honorable peace.

At the present writing his great talents and dynamic personality are combined in an effort to inject a moral force into business affairs. He would raise the ethical standard in finance and commerce. The years of marvelous prosperity that followed

the first inauguration of McKinley and have continued to this writing have resulted in abuses that have raised a general protest throughout the nation. It is the declared purpose of the present executive to correct these abuses so that every citizen, however humble, may have a "square deal."

The manner in which unlawful combinations of capital and great corporations have perpetrated these abuses, the manner of their operations and the effect upon the general public are set forth in detail in the succeeding chapters of this volume. They constitute the chief and vital questions of the day and time that are crying for settlement.

It is the duty of every patriotic citizen to aid in the settlement, but before he can act intelligently and effectively he must understand the issues and realize their vital importance.

The great issues of the past have been settled by the wisdom and honesty of American statesmanship. The issues of the present are yet vaster, more complicated and more vital to the people of to-day.

They are all set forth herein, so that each citizen who wishes to do his duty to his country and his fellow man may understand them and thus be prepared to aid in their solution.

## CHAPTER XVIII

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### FAMOUS SPEECHES IN HISTORY

*Alexander Hamilton on the Adoption of the Federal Constitution—Patrick Henry on Independence—Henry Clay on the Compromise of 1850—Wendell Phillips on the Abolition Movement—Charles Sumner on the Kansas-Nebraska Bill—Webster's Reply to Hayne—Abraham Lincoln's First Inaugural Address—James A. Garfield on Reconstruction, etc.*

#### ALEXANDER HAMILTON ON THE ADOPTION OF THE FEDERAL CONSTITUTION

I am persuaded, Mr, Chairman, that I in my turn shall be indulged, in addressing the committee. We all, in equal sincerity, profess to be anxious for the establishment of a republican government, on a safe and solid basis. It is the object of the wishes of every honest man in the United States, and I presume that I shall not be disbelieved, when I declare, that it is an object of all others, the nearest and most dear to my own heart. The means of accomplishing this great purpose become the most important study which can interest mankind. It is our duty to examine all those means with peculiar attention, and to choose the best and most effectual. It is our duty to draw from nature, from reason, from examples, the best principles of policy, and to pursue and apply them in the formation of our government. We should contemplate and compare the systems, which, in this examination, come under our view; distinguish, with a careful eye, the defects and excellencies of each, and discarding the former, incorporate the latter, as far as circumstances will admit, into our Constitution. If we pursue a different course and neglect this duty, we shall probably disappoint the expectations of our country and of the world.

In the commencement of a revolution, which received its birth from the usurpations of tyranny, nothing was more natural, than that the public mind should be influenced by an extreme spirit of jealousy. To resist these encroachments, and to nourish this spirit, was the great object of all our public and private institutions. The zeal for liberty became predominant and excessive. In forming our confedera-



tion, this passion alone seemed to actuate us, and we appear to have had no other view than to secure ourselves from despotism. The object certainly was a valuable one, and deserved our utmost attention. But, sir, there is another object equally important, and which our enthusiasm rendered us little capable of regarding: I mean a principle of strength and stability in the organization of our government, and vigor in its operations. This purpose can never be accomplished but by the establishment of some select body, formed peculiarly upon this principle. There are few positions more demonstrable than that there should be in every republic, some permanent body to correct the prejudices, check the intemperate passions, and regulate the fluctuations of a popular assembly. It is evident, that a body instituted for these purposes, must be so formed as to exclude as much as possible from its own character, those infirmities and that mutability which it is designed to remedy. It is therefore necessary that it should be small, that it should hold its authority during a considerable period, and that it should have such an independence in the exercise of its powers, as will divest it as much as possible of local prejudices. It should be so formed as to be the centre of political knowledge, to pursue always a steady line of conduct, and to reduce every irregular propensity to system. Without this establishment, we may make experiments without end, but shall never have an efficient government.

It is an unquestionable truth, that the body of the people in every country desire sincerely its prosperity; but it is equally unquestionable, that they do not possess the discernment and stability necessary for systematic government. To deny that they are frequently led into the grossest errors by misinformation and passion, would be a flattery which their own good sense must despise. That branch of administration especially, which involves our political relations with foreign states, a community will ever be incompetent to. These truths are not often held up in public assemblies: but they cannot be unknown to any who hear me. From these principles it follows, that there ought to be two distinct bodies in our government: one, which shall be immediately constituted by and peculiarly represent the people, and possess all the popular features; another, formed upon the principle, and for the purposes, before explained. Such considerations as these induced the convention who formed your State constitution to institute a Senate upon the present plan. The history of ancient and modern republics had taught them, that many of the evils which these republics had suffered, arose from the want of a certain balance and mutual control indispensable to a wise administration; they were convinced that popular assemblies are frequently misguided by ignorance, by sudden impulses, and the intrigues of ambitious men; and that some firm barrier against these operations was necessary; they, therefore, instituted your

Senate, and the benefits we have experienced have fully justified their conceptions.

Gentlemen, in their reasoning, have placed the interests of the several States, and those of the United States in contrast; this is not a fair view of the subject; they must necessarily be involved in each other. What we apprehend is, that some sinister prejudice, or some prevailing passion, may assume the form of a genuine interest. The influence of these is as powerful as the most permanent conviction of the public good; and against this influence we ought to provide. The local interests of a State ought in every case to give way to the interests of the Union; for when a sacrifice of one or the other is necessary, the former becomes only an apparent, partial interest, and should yield, on the principle that the small good ought never to oppose the great one. When you assemble from your several counties in the legislature, were every member to be guided only by the apparent interests of his country, government would be impracticable. There must be a perpetual accommodation and sacrifice of local advantages to general expediency; but the spirit of a mere popular assembly would rarely be actuated by this important principle. It is therefore absolutely necessary that the Senate should be so formed, as to be unbiased by false conceptions of the real interests, or undue attachment to the apparent good of their several States.

#### PATRICK HENRY ON INDEPENDENCE

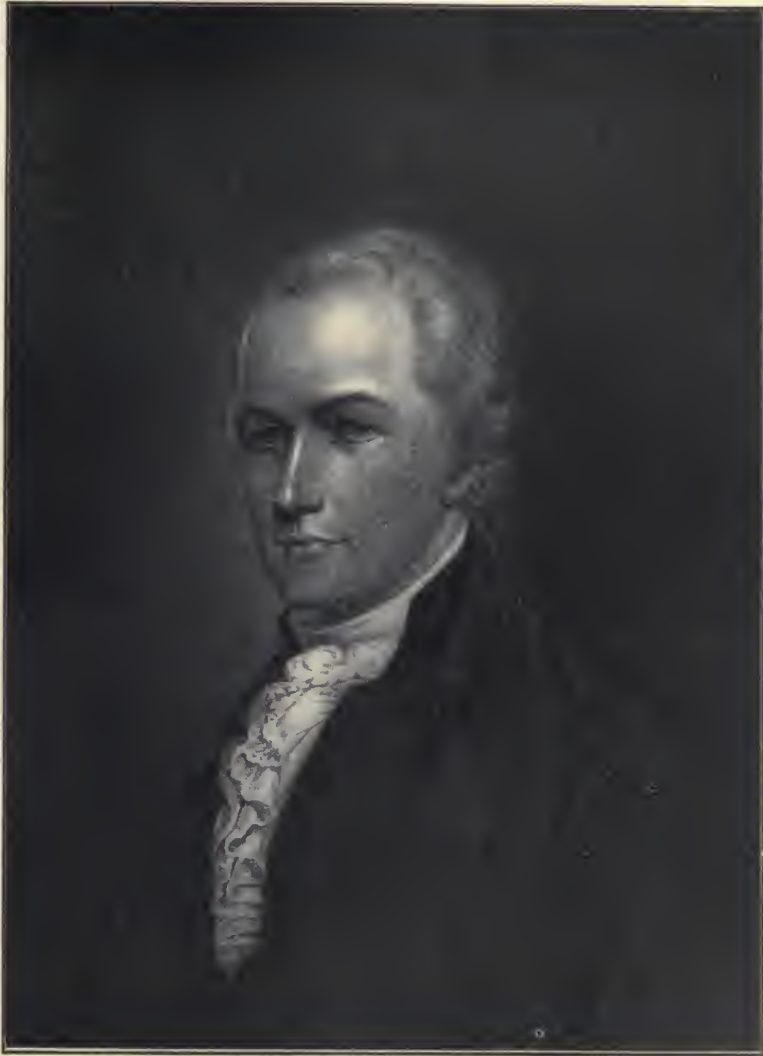
Mr. President: No man thinks more highly than I do of the patriotism, as well as abilities, of the very worthy gentlemen who have just addressed the House. But different men often see the same subject in different lights; and, therefore, I hope that it will not be thought disrespectful to those gentlemen, if, entertaining as I do, opinions of a character very opposite to theirs, I shall speak forth my sentiments freely and without reserve. This is no time for ceremony. The question before the House is one of awful moment to this country. For my own part I consider it as nothing less than a question of freedom or slavery; and in proportion to the magnitude of the subject ought to be the freedom of the debate. It is only in this way that we can hope to arrive at truth, and fulfil the great responsibility which we hold to God and our country. Should I keep back my opinions at such a time, through fear of giving offense, I should consider myself as guilty of treason toward my country, and of an act of disloyalty toward the majesty of heaven, which I revere above all earthly kings.

Mr. President, it is natural to man to indulge in the illusions of hope. We are apt to shut our eyes against a painful truth, and listen to the song of that syren, till she transforms us into beasts. Is this the part of wise men, engaged in a great

and arduous struggle for liberty? Are we disposed to be of the number of those who, having eyes, see not, and having ears, hear not, the things which so nearly concern their temporal salvation? For my part, whatever anguish of spirit it may cost, I am willing to know the whole truth; to know the worst and to provide for it.

I have but one lamp by which my feet are guided; and that is the lamp of experience. I know of no way of judging of the future but by the past. And judging by the past, I wish to know what there has been in the conduct of the British ministry for the last ten years, to justify those hopes with which gentlemen have been pleased to solace themselves and the House? Is it that insidious smile with which our petition has been lately received? Trust it not, sir; it will prove a snare to your feet. Suffer not yourselves to be betrayed with a kiss. Ask yourselves how this gracious reception of our petition comports with these warlike preparations which cover our waters and darken our land. Are fleets and armies necessary to a work of love and reconciliation? Have we shown ourselves so unwilling to be reconciled, that force must be called in to win back our love? Let us not deceive ourselves, sir. These are the implements of war and subjugation; the last arguments to which kings resort. I ask, gentlemen, sir, what means this martial array, if its purpose be not to force us to submission? Can gentlemen assign any other possible motives for it? Has Great Britain any enemy, in this quarter of the world, to call for all this accumulation of navies and armies? No, sir, she has none. They are meant for us; they can be meant for no other. They are sent over to bind and rivet upon us those claims which the British ministry have been so long forging. And what have we to oppose to them? Shall we try argument? Sir, we have been trying that for the last ten years. Have we anything new to offer on the subject? Nothing. We have held the subject up in every light of which it is capable; but it has been all in vain. Shall we resort to entreaty and humble supplication? What terms shall we find which have not been already exhausted? Let us not, I beseech you, sir, deceive ourselves longer. Sir, we have done everything that could be done, to avert the storm which is now coming on. We have petitioned; we have supplicated; we have prostrated ourselves before the throne, and have implored its interposition to arrest the tyrannical hands of the ministry and parliament. Our petitions have been slighted; our remonstrances have produced additional violence and insult; our supplications have been disregarded; and we have been spurned, with contempt, from the foot of the throne. In vain, after these things, may we indulge the fond hope of peace and reconciliation. There is no longer any room for hope. If we wish to be free—if we mean to preserve inviolate those inestimable privileges for which we have been so long contending—if we mean not basely abandon to the noble struggle in which we have been so long





ALEXANDER HAMILTON was born on one of the islands of the West Indies, but was as thoroughly in love with his adopted country as though he had been one of her own children. In many respects he was the ablest of the statesmen of the early Constitutional era. During the Revolutionary War he was a member of Washington's staff, was the first Secretary of the Treasury, and did wonders in saving the United States from financial ruin. The rules governing the management of the Treasury Department laid down by him are largely followed now. He was killed, in 1804, by Aaron Burr, in a duel. He was born in 1757.

PATRICK HENRY DELIVERING HIS CELEBRATED SPEECH Painted by P. F. Rothermal  
IN THE VIRGINIA ASSEMBLY



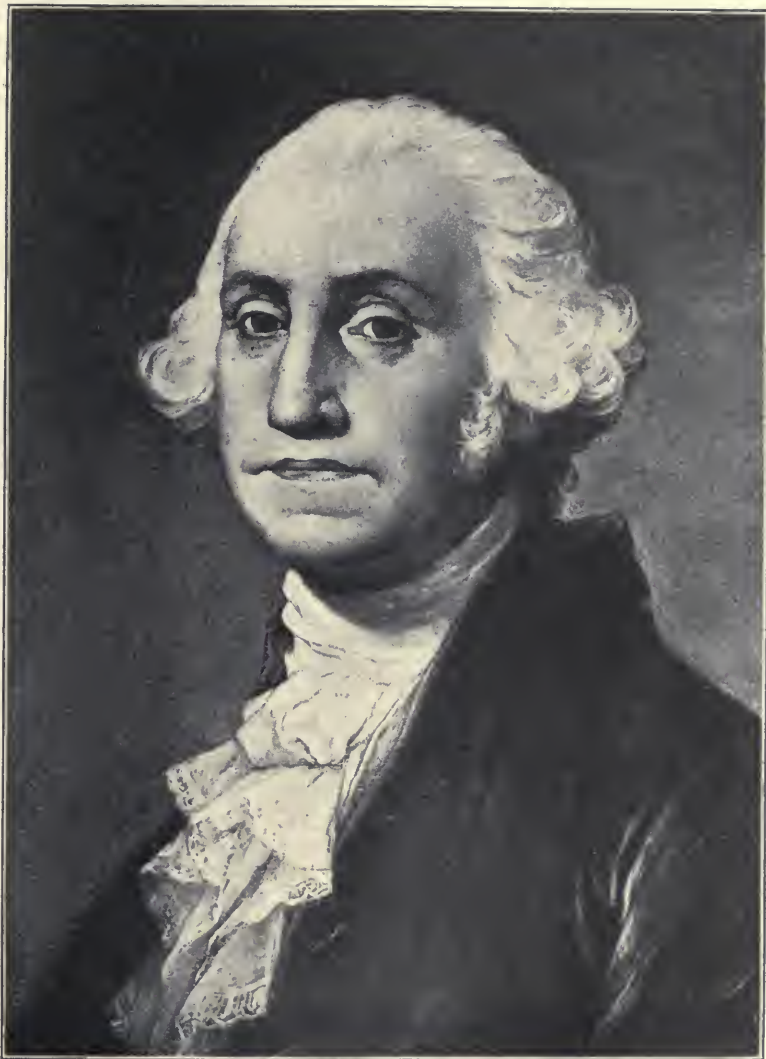


JAMES MADISON was President of the United States at the time the infant Republic engaged in her second war with England—called the War of 1812. Madison was first elected to the Presidency in 1808, and secured a second term upon the strength of the war issue. He issued a proclamation forbidding citizens of the United States to trade with either England or France until they had revoked their obnoxious orders in Council, which had done much harm to the commerce of the United States. England became insolent, continued her practice of forcing American seamen into her navy, and the result was a season of hostilities resulting in such damage to Great Britain that she was glad enough to come to terms. President Madison was a Virginian by birth and eighty-five years old at his death in 1836.

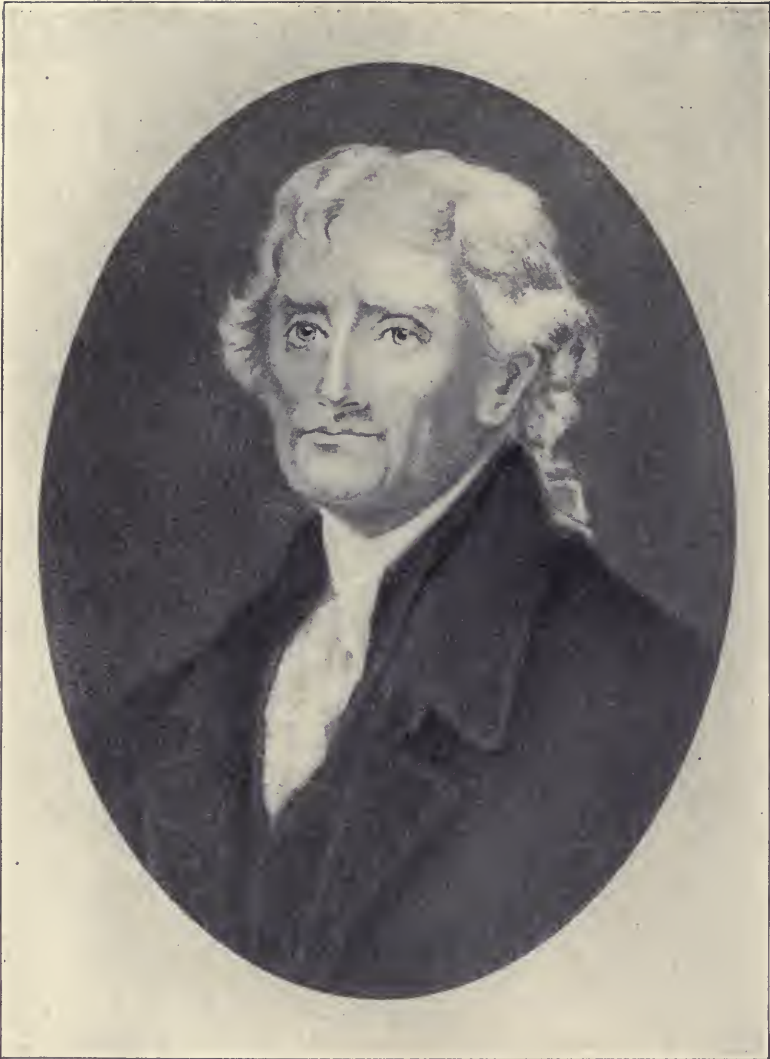




BENJAMIN FRANKLIN was, in many respects, the greatest of Americans. Many sided, he was at once a scientist, statesman, diplomat, scholar, philosopher, politician, editor, publicist, author and man of affairs. No name is better known throughout the world. His scientific discoveries, particularly that in relation to the origin, powers, capabilities and benefits of electricity, were put to practical use, and mankind has acknowledged its debt to him. When the colonists were struggling to achieve their independence Franklin secured money and men from France; founded the University of Pennsylvania and Philadelphia's library; did everything to advance the cause of learning in the United States, and meteorological science owes its birth to him. His name was placed by the side of Newton's as a scientist. He died in 1790, aged eighty-four. (60)



GEORGE WASHINGTON, first President of the United States, was worthy the title of "Father of His Country." His unerring judgment, limitless patience, endurance, sense of right, and a certain blending of talents and virtues, resulted in the making of a man capable of—well, capable of doing what Washington did. He was unanimously chosen President for a second term; his common sense prevented the United States from plunging into another war with England at a time when all the chances were against us; and during his eight years as the head of the Republic carried the country safely through the dangers which threatened it. The entire world honors his name. He was a Virginian by birth, and was nearly sixty-eight years old when he died, in 1799. (152)



THOMAS JEFFERSON was twice President of the United States—1800-1808—and practically the author of that immortal document, the Declaration of Independence. He purchased the immense territory known by the name of Louisiana for \$15,000,000, he being an ardent expansionist. When Napoleon had concluded the sale to President Jefferson's representatives, he remarked: "I have sold this territory to a nation which will, some day, prove a dangerous maritime rival to England." Jefferson was in favor of limiting the powers of the National Administration. It was merely a matter of justice to this great man that his name should have been put upon the "Roll of Fame." He died on July 4th, 1826, aged eighty-three.

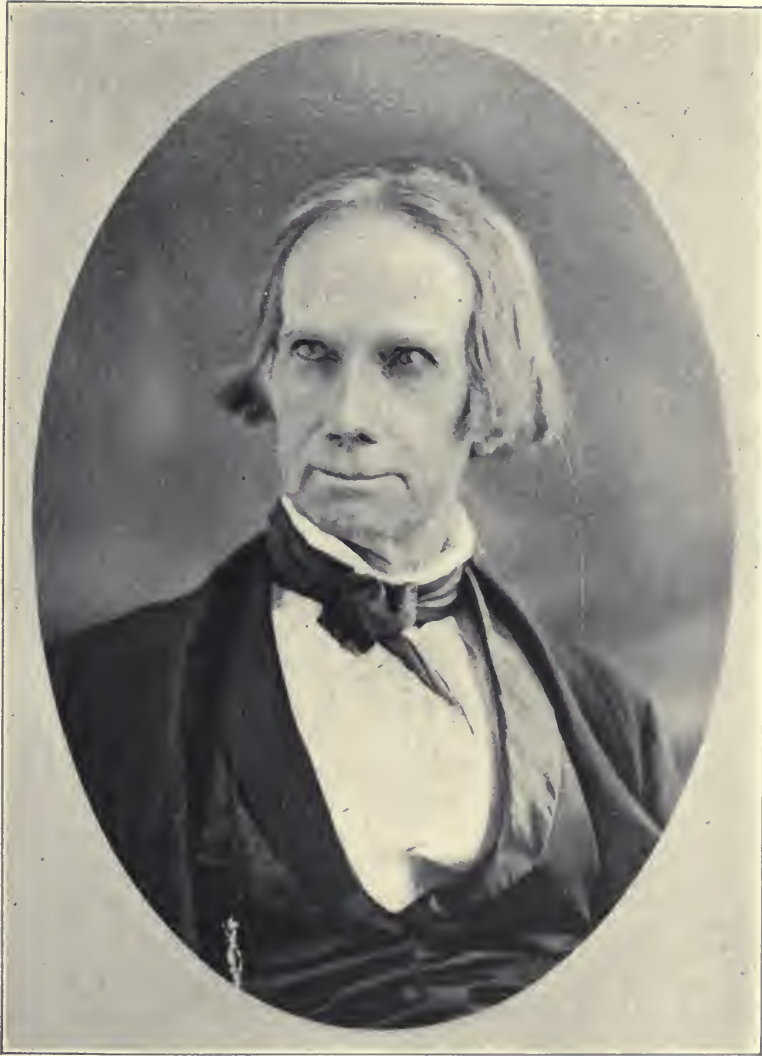




CHARLES SUMNER, one of the most classic of American statesmen and orators, died at Washington in 1874. His one great ambition, manifested in early life, was to become a scholar, and to that end he studied all subjects and languages, making an extended stay in Europe for the purpose of becoming acquainted with manners, customs and tongues of other peoples. Not merely a scholar, but a man of public affairs, he was chosen to the United States Senate, taking high rank in that body. As a statesman and legislator he was conscientious to a fault, and Massachusetts will always fondly cherish the memory of one of her greatest sons. Boston was his home. He was born there in 1811.



SALMON PORTLAND CHASE, Chief Justice of the United States Supreme Court, was named by President Lincoln in 1864, and resigned as Secretary of the Treasury to accept it. He was of an old New England family, his native state being New Hampshire. In 1848 he was elected to the United States Senate; was elected Governor of the State of Ohio in 1852, and was chosen for a second term. When President Lincoln was forming his first cabinet he offered the portfolio of the Treasury Department to Mr. Chase, who accepted it. Secretary Chase had been a noted financial authority for many years, and was the father of the "greenback," the paper money of war times. He was born in 1808, and died in 1873.



HENRY CLAY was a native of Virginia, and died in 1852, at the ripe age of seventy-five. Webster also died that same year—a somewhat strange coincidence. His family removed to Kentucky when Henry was very young, and being poor the boy quit school to go to work. He took up the law as his profession and soon won a brilliant name; was sent to the United States Senate in 1806 and 1809 to fill unexpired terms; was chosen Speaker of the National House of Representatives six times; served as United States Senator from 1831 to 1842 and 1849 to 1852; was defeated for the Presidency three times and fought several duels; was Secretary of State in President John Quincy Adams' Cabinet. (33)





WENDELL PHILLIPS was an impassioned orator of power, force and influence, sentiment entering largely into his forensic efforts. His imagination was vivid, and he could paint the most beautiful pictures in words. Phillips never held office, his idea being that he could be of more service to the country and to humanity at large when unfettered by official cares or obligations. He advocated to the fullest extent of his powers the freedom of the slaves, and in consequence suffered indignities innumerable at the hands of Boston mobs. Mr. Phillips was a humanitarian in the broadest sense of the term, and a thorough believer in universal education. He was born in Massachusetts in 1811, and died in 1884; he was a man of lofty ideals, and lived to see many of them realized. In every way was he a humanitarian.



WILLIAM McKINLEY, President of the United States, elected in 1896 and in 1900, enlisted as a private in the Civil War and was mustered out as a Major. In 1876 he was first elected to Congress, and as Chairman of the Ways and Means Committee shaped the tariff legislation of his party. In 1891 and 1893 he was elected Governor of Ohio, and later he was elected President of the United States. Congress voted him \$50,000,000 as a personal Spanish War fund in 1898, a token of confidence never before manifested by the national law-making bodies for a Chief Executive. Shot by Leon Czolgosz in Buffalo, N. Y., Friday, September 6, 1901. Died September 14, 1901. President McKinley was born in Ohio, January 29, 1843. It is the consensus of opinion that no more astute statesman, Lincoln excepted, ever occupied the White House.



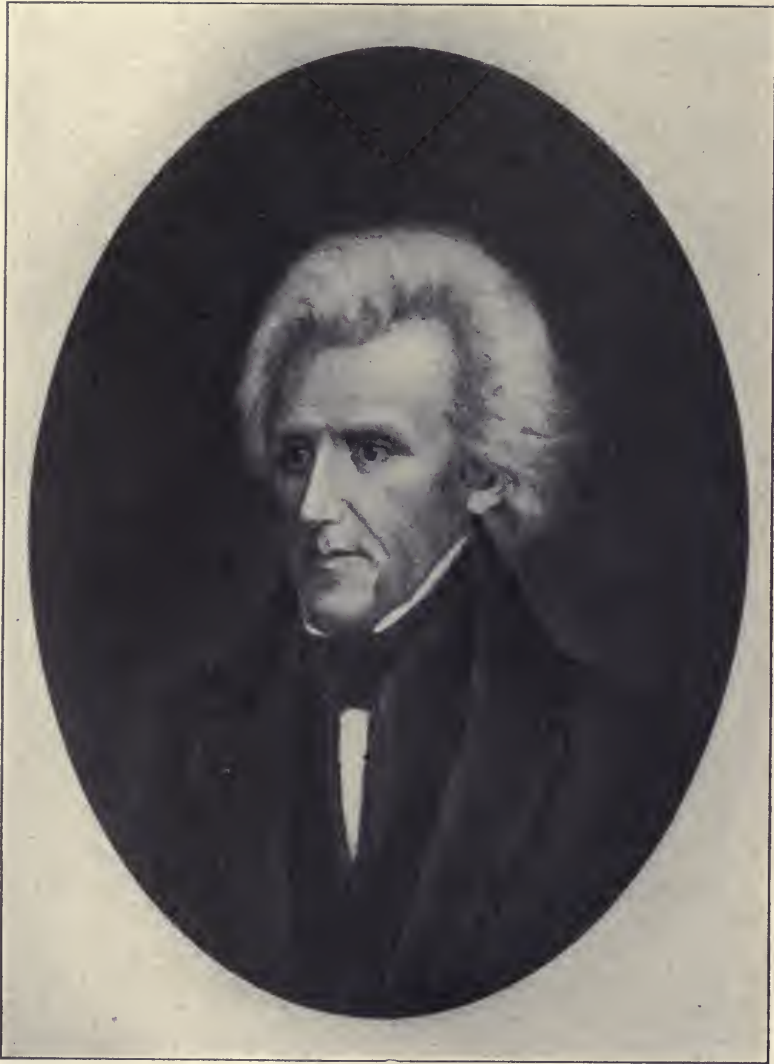
STEPHEN GROVER CLEVELAND, twice President of the United States, was the son of a Presbyterian clergyman. He studied law in Buffalo, was elected Sheriff of the county and Mayor of the city. His strenuous opposition to extravagance in public affairs led to his election as Governor of New York in 1882, and in 1884 he was elected President of the United States, defeating Mr. Blaine, the Republican candidate. Mr. Cleveland had never been in Washington until he went there to be inaugurated. He was defeated for re-election in 1888 by General Harrison, but won over the latter in 1892. His career was the most surprising of that of any public man in the country. After his second term in the White House was concluded he made his home at Princeton, N. J. He was born in the Mosquito State in 1837 and died at Princeton June 24, 1908.



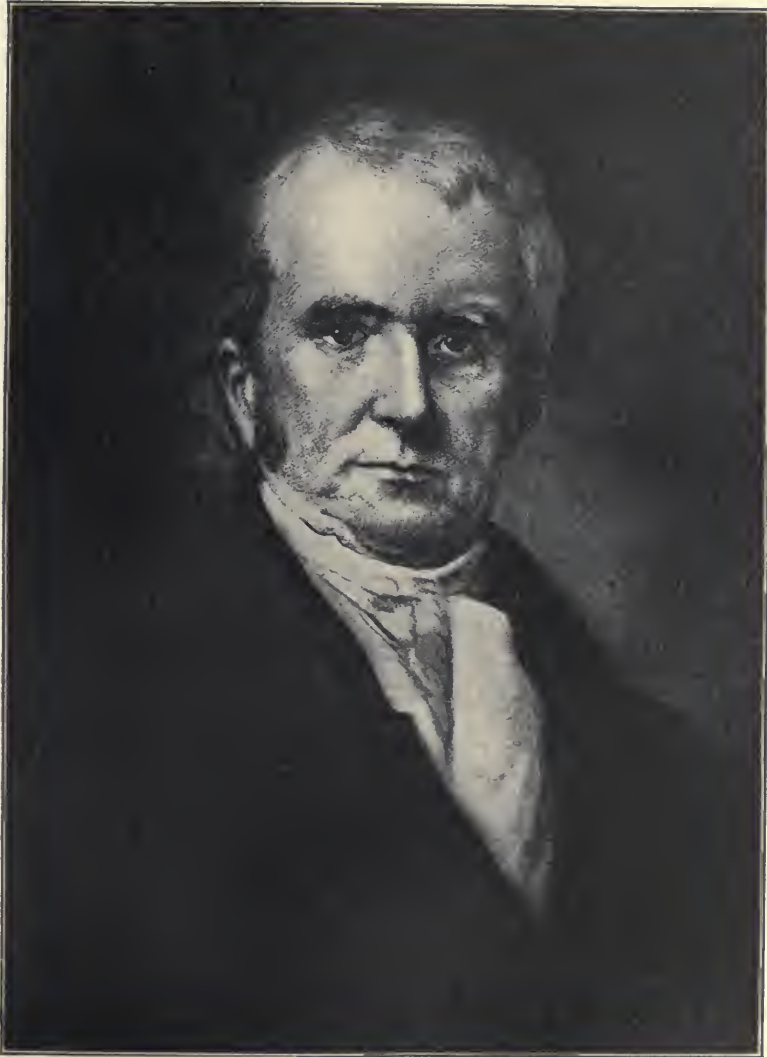


JOHN ADAMS, the successor of George Washington in the Presidential chair, was one of the men who put their names to the Declaration of Independence in 1776; he was also the one who seconded the motion for the adoption of the Declaration. Mr. Adams was one of the earliest patriot leaders in the cause of independence in the State of Massachusetts, and gave freely of his time and substance to aid the Colonists, and was a delegate to the First and Second Continental Congresses. He was prominent as a diplomat, assisted in drawing up the terms of peace with England, and negotiated treaties with several foreign powers. He was Vice-President during Washington's two terms. He died in 1826, aged ninety-one, at Quincy, Massachusetts, where he was born.

(1)



ANDREW JACKSON ("Old Hickory") was, so far as strength of mind and will was concerned, one of the ablest men ever sent to Washington to take his seat in the Presidential chair. He had an extremely keen sense of honor, and was chivalrous to a degree. As Congressman, Chief Justice of the Supreme Court of Tennessee, soldier, United States Senator and President of the United States, he was guided by what he thought was right, regardless of the opinions of others. With a ragged and ill-equipped force he defeated the English Army under General Pakenham (brother-in-law of the Duke of Wellington) with frightful slaughter and crushed the power of the Creek and Seminole Indians in hard-fought battles. He was President two terms; was born in North Carolina in 1767, and died in 1845.



JOHN MARSHALL is conceded to have been the most eminent of American jurists. For thirty-four years he was Chief-Justice of the Supreme Court of the United States, and one of the ablest expounders of the Constitution. In addition to his legal ability, he was a statesman and soldier as well. His family was a prominent one in Virginia, his native state. In 1775, when twenty years old, he raised a company and fought for independence until the close of the Revolution. He devoted much time to public affairs, was elected to Congress in 1799, and heartily supported President Adams' administration. He died in 1835, at the age of eighty. His name is in "The American Hall of Fame."





DANIEL WEBSTER, greatest of American orators, was a graduate of Dartmouth College, and while at this institution he demonstrated his ability as a public speaker. For power of lucid and convincing statement he was unrivaled; developed into a thoroughly sound constitutional lawyer, and stood at the head of the American bar at an age when most men in that profession are growing. His services to the country in the United States Senate and as Secretary of State in the Cabinets of Presidents Harrison, Tyler and Fillmore entitle him to a prominent place among statesmen and diplomats. It was he who negotiated the Ashburton treaty with England. He was born in New Hampshire in 1782, and died in 1852 at his home in Marshfield, Massachusetts. His name stands third on the "Roll of Fame."

engaged, and which we have pledged ourselves never to abandon until the glorious object of our contest shall be obtained, we must fight! An appeal to arms and to the God of Hosts in all that is left us!

They tell us, sir, that we are weak; unable to cope with so formidable an adversary. But when shall we be stronger? Will it be the next week, or the next year? Will it be when we are totally disarmed, and when a British guard shall be stationed in every house? Shall we gather strength by irresolution and inaction? Shall we acquire the means of effectual resistance, by lying supinely on our backs, and hugging the delusive phantom of hope, until our enemies shall have bound us hand and foot? Sir, we are not weak, if we make a proper use of the means which the God of nature hath placed in our power. Three millions of people, armed in the holy cause of liberty, and in such a country as that which we possess, are invincible by any force which our enemy can send against us. Besides, sir, we shall not fight our battles alone. There is a just God who presides over the destinies of nations; and who will raise up friends to fight our battles for us. The victory, sir, is not to the strong alone; it is to the vigilant, the active, the brave. Besides, sir, we have no election. If we were base enough to desire it, it is now too late to retire from the contest. There is no retreat, but in submission and slavery! Our chains are forged! Their clanking may be heard on the plains of Boston! The war is inevitable—and let it come! I repeat it, sir, let it come!

It is in vain, sir, to extenuate the matter. Gentlemen may cry peace, peace—but there is no peace. The war is actually begun! The next gale that sweeps from the north will bring to our ears the clash of resounding arms! Our brethren are already in the field! Why stand we here idle? What is it that gentlemen wish? What would they have? Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take; but as for me, give me liberty, or give me death!

#### HENRY CLAY ON THE COMPROMISE OF 1850

Not the reception of the treaty of peace negotiated at Ghent, nor any other event which has occurred during my progress in public life, ever gave such unbounded and universal satisfaction as the settlement of the Missouri compromise. We may argue from like causes like effects. Then, indeed, there was great excitement. Then, indeed, all the legislatures of the North called out for the exclusion of Missouri, and all the legislatures of the South called out for her admission as a State. Then, as now, the country was agitated like the ocean in the midst of a turbulent storm. But now, more than then has this agitation been increased.

Now, more than then, are the dangers which exist, if the controversy remains unsettled, more aggravated and more to be dreaded. The idea of disunion was then scarcely a low whisper. Now, it has become a familiar language in certain portions of the country. The public mind and the public heart are becoming familiarized with that most dangerous and fatal of all events—the disunion of the States. People begin to contend that this is not so bad a thing as they had supposed. Like the progress in all human affairs, as we approach danger it disappears, it diminishes in our conception, and we no longer regard it with that awful apprehension of consequences that we did before we came into contact with it. Everywhere now there is a state of things, a degree of alarm and apprehension, and determination to fight, as they regard it, against the aggressions of the North. That did not so demonstrate itself at the period of the Missouri compromise. It was followed, in consequence of the adoption of the measure which settled the difficulty of Missouri, by peace, harmony and tranquility. So, now, I infer, from the greater amount of agitation, from the greater amount of danger, that, if you adopt the measures under consideration, they, too, will be followed by the same amount of contentment, satisfaction, peace, and tranquility, which ensued after the Missouri compromise.

The responsibility of this great measure passes from the hands of the committee, and from my hands. They know, and I know, that it is an awful and tremendous responsibility. I hope that you will meet it with a just conception and a true appreciation of its magnitude, and the magnitude of the consequences that may ensue from your decision one way or the other. The alternatives, I fear, which the measure presents, are concord and increased discord; a servile civil war, originating in its causes on the lower Rio Grande, and terminating possibly in its consequences on the upper Rio Grande in the Santa Fe country, or the restoration of harmony and fraternal kindness. I believe from the bottom of my soul, that the measure is the reunion of this Union. I believe it is the dove of peace, which, taking its aerial flight from the dome of the Capitol, carries the glad tidings or assured peace and restored harmony to all the remotest extremities of this distracted land. I believe that it will be attended with all these beneficent effects. And now let us discard all resentment, all passions, all petty jealousies, all personal desires, all love of place, all hankerings after the gilded crumbs which fall from the table of power. Let us forget popular fears, from whatever quarter they may spring. Let us go to the limpid fountain of unadulterated patriotism, and, performing a solemn lustration, return divested of all selfish, sinister and sordid impurities, and think alone of our God, our country, our consciences, and our glorious Union—that Union without which we shall be torn into hostile fragments, and



sooner or later become the victims of military despotism, or foreign domination.

Mr. President, what is an individual man? An atom, almost invisible without a magnifying glass—a mere speck upon the surface of the immense universe; not a second in time, compared to immeasurable, never-beginning, and never-ending eternity; a drop of water in the great deep, which evaporates and is borne off by the winds; a grain of sand, which is soon gathered to the dust from which it sprung. Shall a being so small, so petty, so fleeting, so evanescent, oppose itself to the onward march of a great nation, which is to subsist for ages and ages to come; oppose itself to that long line of posterity which, issuing from our loins, will endure during the existence of the world? Forbid it, God. Let us look to our country and our cause, elevate ourselves to the dignity of pure and disinterested patriots, and save our country from all impending dangers. What if, in the march of this nation to greatness and power, we should be buried beneath the wheels that propel it onward! What are we—what is any man—worth who is not ready and willing to sacrifice himself for the benefit of his country when it is necessary?

If this Union shall become separated into new confederacies will arise. And with respect to this, if there be any—I hope there is no one in the Senate—before whose imagination is flitting the idea of a great Southern Confederacy to take possession of the Balize and the mouth of the Mississippi, I say in my place never! never! never! will we who occupy the broad waters of the Mississippi and its upper tributaries consent that any foreign flag shall float at the Balize or upon the turrets of the Crescent City—never! never! I call upon all the South. Sir, we have had hard words, bitter words, bitter thoughts, unpleasant feelings toward each other in the progress of this great measure. Let us forget them. Let us sacrifice these feelings. Let us go to the altar of our country and swear, as the oath was taken of old, that we will stand by her; that we will support her; that we will uphold her Constitution; that we will preserve her Union; and that we will pass this great, comprehensive, and healing system of measures, which will hush all the jarring elements, and bring peace and tranquility to our homes.

Let me, Mr. President, in conclusion, say that the most disastrous consequences would occur, in my opinion, were we to go home, doing nothing to satisfy and tranquillize the country upon these great questions. What will be the judgment of mankind, what the judgment of that portion of mankind who are looking upon the progress of this scheme of self-government as being that which holds the highest hopes and expectations of ameliorating the condition of mankind—what will their judgment be? Will not all the monarchs of the Old World pronounce our glorious Republic a disgraceful failure? What will be the judgment of our con-

stituents, when we return to them and they ask us: "How have you left your country? Is all quiet—all happy? Are all the seeds of distraction or division crushed and dissipated?" And, sir, when you come into the bosom of your family, when you come to converse with the partner of your fortunes, of your happiness, and of your sorrows, and when in the midst of the common offspring of both of you, she asks you: "Is there any danger of civil war? Is there any danger of the torch being applied to any portion of the country? Have you settled the questions which you have been so long discussing and deliberating upon at Washington? Is all peace and all quiet?" what response, Mr. President, can you make to that wife of your choice and those children with whom you have been blessed by God? Will you go home and leave all in disorder and confusion—all unsettled—all open. The contentions and agitations of the past will be increased and augmented by the agitations resulting from our neglect to decide them. Sir, we shall stand condemned by all human judgment below, and of that above it is not for me to speak. We shall stand condemned in our own consciences, by our own constituents, and by our own country. The measure may be defeated. I have been aware that its passage for many days was not absolutely certain. From the first to the last, I hoped and believed it would pass, because from the first to the last I believe it was founded on the principles of just and righteous concession of mutual conciliation. I believe that it deals unjustly by no part of the Republic; that it saves their honor, and, as far as it is dependent upon Congress, saves the interest of all quarters of the country. But, sir, I have known that the decision of its fate depended upon four or five votes in the Senate of the United States, whose ultimate judgment we could not count upon the one side or the other with absolute certainty. Its fate is now committed to the Senate, and to those five or six votes to which I have referred. It may be defeated. It is possible that, for the chastisement of our sins and transgressions, the rod of Providence may be still applied to us, may be still suspended over us. But, if defeated, it will be a triumph of ultraism and impracticability—a triumph of a most extraordinary conjunction of extremes; a victory won by abolitionism; a victory achieved by freesoilism; a victory of discord and agitation over peace and tranquillity; and I pray to Almighty God that it may not, in consequence of the inauspicious result, lead to the most unhappy and disastrous consequence to our beloved country.

#### WENDELL PHILLIPS ON THE ABOLITION MOVEMENT

Every thoughtful and unprejudiced mind must see that such an evil as slavery will yield only to the most radical treatment. If you consider the work we have to

do, you will not think us needlessly aggressive, or that we dig down unnecessarily deep in laying the foundations of our enterprise. A money power of two thousand millions of dollars, as the prices of slaves now range, held by a small body of able and desperate men; that body raised into a political aristocracy by special constitutional provisions; cotton, the product of slave labor, forming the basis of our whole foreign commerce, and the commercial class thus subsidized; the press bought up, the pulpit reduced to vassalage; the heart of the common people chilled by a bitter prejudice against the black race; our leading men bribed, by ambition, either to silence or open hostility;—in such a land, on what shall an Abolitionist rely? On a few cold prayers, mere lip-service, and never from the heart? On a church resolution, hidden often in its records, and meant only as a decent cover for servility in daily practice? On political parties, with their superficial influence at best, and seeking ordinarily only to use existing prejudices to the best advantage? Slavery has deeper root here than any aristocratic institution has in Europe; and politics is but the common pulse-beat, of which revolution is the fever-spasm. Yet we have seen European aristocracy survive storms which seemed to reach down to the primal strata of European life. Shall we, then, trust to mere politics, where even revolution has failed? How shall the stream rise above its fountain? Where shall our church organizations or parties get strength to attack their great parent and moulder, the slave power? Shall the thing formed say to him that formed it, why hast thou made me thus? The old jest of one who tried to lift himself in his own basket, is but a tame picture of the man who imagines that, by working solely through existing sects and parties, he can destroy slavery. Mechanics say nothing but an earthquake strong enough to move all Egypt can bring down the pyramids.

Experience has confirmed these views. The Abolitionists who have acted on them have a "short method" with all unbelievers. They have but to point to their own success, in contrast with every other man's failure. To waken the nation to its real state, and chain it to the consideration of this one duty, is half the work. So much we have done. Slavery has been made the question of this generation. To startle the South to madness, so that every step she takes, in her blindness, is one step more toward ruin, is much. This we have done. Witness Texas and the Fugitive Slave Law. To have elaborated for the nation the only plan of redemption, pointed out the only exodus from this "sea of troubles," is much. This we claim to have done in our motto of IMMEDIATE, UNCONDITIONAL EMANCIPATION ON THE SOIL. The closer any statesmanlike mind looks into the question, the more favor our plan finds with it. The Christian asks fairly of the infidel, "If this religion be not from God, how do you explain its triumph, and the history of the first three centuries?" Our question is similar. If our agitation



has not been wisely planned and conducted, explain for us the history of the last twenty years! Experience is a safe light to walk by, and he is not a rash man who expects success in future from the same means which have secured it in times past.

#### CHARLES SUMNER ON THE KANSAS-NEBRASKA BILL

From the depths of my soul, as a loyal citizen and as a Senator, I plead, remonstrate, protest against the passage of this bill. I struggle against it as against death; but, as in death itself corruption puts on incorruption, and this mortal body puts on immortality, so from the sting of this hour I find assurance of that triumph by which freedom will be restored to her immortal birthright in the Republic.

Sir, the bill, which you are now about to pass is at once the worst and the best on which Congress ever acted.

It is the worst bill, inasmuch as it is a present victory of slavery. In a Christian land, and in an age of civilization, a time-honored statute of freedom is struck down, opening the way to all the countless woes and wrongs of human bondage. Among the crimes of history a new one is about to be recorded, which, in better days, will be read with universal shame. The tea tax and stamp act, which aroused the patriotic rage of our fathers, were virtues by the side of this enormity; nor would it be easy to imagine, at this day, any measure which more openly defied every sentiment of justice, humanity, and Christianity. Am I not right, then, in calling it the worst bill on which Congress ever acted?

But there is another side to which I gladly turn. Sir, it is the best bill on which Congress ever acted; for it prepares the way for that "All hail hereafter," when slavery must disappear. It annuls all past compromises with slavery, and makes all future compromises impossible. Thus it puts freedom and slavery face to face, and bids them grapple. Who can doubt the result? It opens wide the door of the future, when, at last, there will really be a North, and the slave power will be broken; when this wretched despotism will cease to dominate over our Government, no longer impressing itself upon all that it does, at home and abroad; when the National Government shall be divorced in every way from slavery, and, according to the true intention of our fathers, freedom shall be established by Congress everywhere, at least beyond the local limits of the States.

Slavery will then be driven from its usurped foothold here in the District of Columbia; in the national Territories, and elsewhere beneath the national flag; the fugitive slave bill, as odious as it is unconstitutional, will become a dead letter; and the domestic slave-trade, so far as it can be reached, but especially on the high seas, will be blasted by Congressional prohibition. Everywhere within the sphere

of Congress, the great Northern Hammer will descend to smite the wrong; and the irresistible cry will break forth, "No more slave States!"

Thus, sir, now standing at the very grave of freedom in Kansas and Nebraska, I find assurances of that happy resurrection, by which freedom will be secured hereafter, not only in these Territories, but everywhere under the National Government, more clearly than ever before, I now see "the beginning of the end" of slavery. Am I not right, then, in calling this measure the best bill on which Congress ever acted?

Sorrowfully I bend before the wrong you are about to perpetrate. Joyfully I welcome all the promises of the future.

### WEBSTER'S REPLY TO HAYNE

Mr. President, in carrying his warfare, such as it is, into New England, the honorable gentleman all along professes to be acting on the defensive. He chooses to consider me as having assailed South Carolina, and insists that he comes forth only as her champion, and in her defense. Sir, I do not admit that I made any attack whatever on South Carolina. Nothing like it. The honorable member, in his first speech, expressed opinions, in regard to revenue and some other topics, which I heard with both pain and surprise. I told the gentleman I was aware that such sentiments were entertained out of the Government, but had not expected to find them advanced in it; that I knew there were persons in the South who speak of our Union with indifference or doubt, taking pains to magnify its evils, and to say nothing of its benefits; that the honorable member himself, I was sure, could never be one of these; and I regretted the expression of such opinions as he had avowed, because I thought their obvious tendency was to encourage feelings of disrespect to the Union, and to impair its strength. This, sir, is the sum and substance of all I said on the subject. And this constitutes the attack which called on the chivalry of the gentleman, in his own opinion, to harry us with such a foray among the party pamphlets and party proceedings in Massachusetts! If he means that I spoke with dissatisfaction or disrespect of the ebullitions of individuals in South Carolina, it is true. But if he means that I assailed the character of the State, her honor, or patriotism, that I reflected on her history or her conduct, he has not the slightest grounds for any such assumption.

I shall not acknowledge that the honorable member goes before me in regard for whatever of distinguished talent or distinguished character South Carolina has produced. I claim part of the honor, I partake in the pride of her great names. I claim them for my countrymen, one and all, the Laurenses, the Rutledges, the

Pinckneys, the Sumpters, the Marions,—Americans all, whose fame is no more to be hemmed in by State lines than their talents and patriotism were capable of being circumscribed within the same narrow limits. In their day and generation they served and honored the country, and the whole country; and their renown is of the treasures of the whole country. Him whose honored name the gentleman himself bears—does he esteem me less capable of gratitude for his patriotism or sympathy for his sufferings, than if his eyes had first opened upon the light of Massachusetts, instead of South Carolina? Sir, does he suppose it in his power to exhibit a Carolina name so bright as to produce envy in my bosom? No, sir; increased gratification and delight, rather. I thank God that, if I am gifted with little of the spirit which is able to raise mortals to the skies, I have yet none, as I trust, of that other spirit which would drag angels down. When I shall be found, sir, in my place here in the Senate, or elsewhere, to sneer at public merit, because it happens to spring up beyond the little limits of my own State or neighborhood; when I refuse, for any such cause, or for any cause, the homage due to American talent, to elevated patriotism, to sincere devotion to liberty and the country; or, if I see an uncommon endowment of Heaven, if I see extraordinary capacity and virtue, in any son of the South; and if, moved by local prejudices or gangrened by State jealousy, I get up here to abate the tithe of a hair from his just character and just fame, may my tongue cleave to the roof of my mouth!

Sir, let me recur to pleasing recollections; let me indulge in refreshing remembrances of the past; let me remind you that, in early times, no States cherished greater harmony, both of principle and feeling, than Massachusetts and South Carolina. Would to God that harmony might again return! Shoulder to shoulder they went through the revolution, hand in hand they stood round the administration of Washington, and felt his own great arm lean on them for support. Unkind feeling, if it exist, alienation, and distrust, are the growth, unnatural to such soils, of false principles since sown. They are weeds, the seeds of which that same great arm never scattered.

Mr. President, I shall enter upon no encomium of Massachusetts; she needs none. There she is. Behold her, and judge for yourselves. There is her history; the world knows it by heart. The past, at least, is secure. There is Boston, and Concord, and Lexington, and Bunker Hill; and there they will remain for ever. The bones of her sons, falling in the great struggle for Independence now lie mingled with the soil of every State from New England to Georgia, and there they will lie forever. And, sir, where American Liberty raised its first voice, and where its youth was nurtured and sustained, there it still lives, in the strength of its manhood, and full of its original spirit. If discord and disunion shall wound it, if party



strife and blind ambition shall hawk and tear it, if folly and madness, if uneasiness under salutary and necessary restraint shall succeed in separating it from that Union, by which alone its existence is made sure, it will stand, in the end, by the side of that cradle in which its infancy was rocked; it will stretch forth its arm with whatever of vigor it may still retain, over the friends who gather round it; and it will fall at last, if fall it must, amidst the profoundest monuments of its own glory, and on the very spot of its origin.

I have not allowed myself, sir, to look beyond the Union, to see what might lie hidden in the dark recess behind. I have not coolly weighed the chances of preserving liberty when the bonds that unite us together shall be broken asunder. I have not accustomed myself to hang over the precipice of disunion, to see whether, with my short sight, I can fathom the depth of the abyss below; nor could I regard him as a safe counsellor in the affairs of this Government, whose thoughts should be mainly bent on considering, not how the Union may be best preserved, but how tolerable might be the condition of the people when it should be broken up, and destroyed. While the Union lasts we have high, exciting, gratifying prospects spread out before us, for us and our children. Beyond that I seek not to penetrate the evil. God grant that in my day at least that curtain may not rise! God grant that on my vision never may be opened what lies behind! When my eyes shall be turned to behold for the last time the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious Union; on States dis-severed, discordant, belligerent; on a land rent with civil feuds, or drenched, it may be in fraternal blood! Let their last feeble and lingering glance rather behold the gorgeous ensign of the Republic, now known and honored throughout the earth, still full high advanced, its arms and trophies streaming in their original lustre, not a stripe erased or polluted, not a single star obscured, bearing for its motto, no such miserable interrogatory as "What is all this worth?" nor those other words of delusion and folly, "Liberty first and Union afterward;" but everywhere, spread all over in characters of living light, blazing on all its ample folds, as they float over the sea and over the land, and in every wind under the whole heavens, that other sentiment, dear to every true American heart,—Liberty and Union, now and forever, one and inseparable!

#### ABRAHAM LINCOLN'S FIRST INAUGURAL ADDRESS

*FELLOW CITIZENS OF THE UNITED STATES:* In compliance with a custom as old as the government itself, I appear before you to address you briefly, and to take in your presence the oath prescribed by the Constitution of the United States to be taken by the President "before he enters on the execution of his office."

I do not consider it necessary at present for me to discuss those matters of administration about which there is no special anxiety or excitement.

Apprehension seems to exist, among the people of the Southern States, that by the accession of a Republican administration their property and their peace and personal security are to be endangered. There never has been any reasonable cause for such apprehension. Indeed, the most ample evidence to the contrary has all the while existed and been open to their inspection. It is found in nearly all the published speeches of him who now addresses you. I do but quote from one of those speeches when I declare that "I have no purpose, directly or indirectly, to interfere with the institution of slavery in the States where it exists. I believe I have no lawful right to do so, and I have no inclination to do so." Those who nominated and elected me did so with full knowledge that I had made this and many similar declarations, and had never recanted them. And more than this, they placed in the platform for my acceptance, and as a law to themselves and to me, the clear and emphatic resolution which I now read:

"RESOLVED, That the maintenance inviolate of the rights of the States, and especially the right of each State to order and control its own domestic institutions according to its judgment exclusively, is essential to the balance of power on which the perfection and endurance of our political fabric depend, and we denounce the lawless invasion by armed force of the soil of any State or Territory, no matter under what pretext, as among the gravest of crimes."

I now reiterate these sentiments; and, in doing so, I only press upon the public attention the most conclusive evidence of which the case is susceptible, that the property, peace, and security of no section are to be in any wise endangered by the now incoming administration. I add, too, that all the protection which, consistently with the Constitution and the laws, can be given, will be cheerfully given to all the States, when lawfully demanded, for whatever cause, as cheerfully to one section as to another.

There is much controversy about the delivering up of fugitives from service or labor. The clause I now read is as plainly written in the Constitution as any other of its provisions:

"No person held to service or labor in one State, under the laws thereof, escaping into another, shall, in consequence of any law or regulation therein, be discharged from such service or labor, but shall be delivered up on claim of the party to whom such service or labor may be due."

It is scarcely questioned that this provision was intended by those who made it for the reclaiming of what we call fugitive slaves; and the intention of the law-giver is the law. All members of Congress swear their support to the whole Con-

stitution—to this provision as much as any other. To the proposition, then, that slaves whose cases come within the terms of this clause, “shall be delivered up,” their oaths are unanimous. Now, if they would make the effort in good temper, could they not, with nearly equal unanimity, frame and pass a law by means of which to keep good that unanimous oath?

There is some difference of opinion whether this clause should be enforced by National or by State authority; but surely that difference is not a very material one. If the slave is to be surrendered, it can be of but little consequence to him, or to others, by what authority it is done. And should any one, in any case, be content that his oath should go unkept, on a mere unsubstantial controversy as to how it shall be kept?

Again, in any law upon this subject, ought not all the safeguards of liberty known in civilized and humane jurisprudence to be introduced, so that a free man be not, in any case, surrendered as a slave? And might it not be well, at the same time, to provide by law for the enforcement of that cause of the Constitution which guarantees that “the citizens of each State shall be entitled to all privileges and immunities of citizens in the several States?”

I take the official oath to-day with no mental reservation, and with no purpose to construe the Constitution or laws by any hypercritical rules. And while I do not choose now to specify particular acts of Congress as proper to be enforced, I do suggest that it will be much safer for all, both in official and private stations, to conform to and abide by all those acts which stand unrepealed, than to violate any of them, trusting to find impunity in having them held to be unconstitutional.

It is seventy-two years since the first inauguration of a President under our National Constitution. During that period, fifteen different and greatly distinguished citizens have, in succession, administered the Executive branch of the government. They have conducted it through many perils, and generally with great success. Yet, with all this scope for precedent, I now enter upon the same task for the brief constitutional term of four years, under great and peculiar difficulty. A disruption of the Federal Union, heretofore only menaced, is now formidably attempted.

I hold that in contemplation of universal law, and of the Constitution, the Union of these States is perpetual. Perpetuity is implied, if not expressed, in the fundamental law of all national governments. It is safe to assert that no government proper ever had a provision in its organic law for its own termination. Continue to execute all the express provisions of our National Government, and the Union will endure forever—it being impossible to destroy it, except by some action not provided for in the instrument itself.



Again, if the United States be not a government proper, but an association of States in the nature of contract merely, can it, as a contract, be peaceably unmade by less than all the parties who made it? One party to a contract may violate it—break it, so to speak; but does it not require all to lawfully rescind it?

Descending from these general principles, we find the proposition that, in legal contemplation, the Union is perpetual, confirmed by the history of the Union itself. The Union is much older than the Constitution. It was formed, in fact, by the Articles of Association in 1774. It was matured and continued by the Declaration of Independence in 1776. It was further matured, and the faith of all the then thirteen States expressly plighted and engaged that it should be perpetual, by the Articles of Confederation in 1778. And, finally, in 1787, one of the declared objects for ordaining and establishing the Constitution was “to form a more perfect union.”

But if destruction of the Union, by one, or by a part only, of the States, be lawfully possible, the Union is less perfect than before, the Constitution having lost the vital element of perpetuity.

It follows, from these views, that no State, upon its own mere motion, can lawfully get out of the Union; that resolves and ordinances to that effect are legally void; and that acts of violence within any State or States, against the authority of the United States, are insurrectionary or revolutionary, according to circumstances.

I therefore consider that, in view of the Constitution and the laws, the Union is unbroken, and to the extent of my ability I shall take care, as the Constitution itself expressly enjoins upon me, that the laws of the Union be faithfully executed in all the States. Doing this I deem to be only a simple duty on my part; and I shall perform it, so far as practicable, unless my rightful masters, the American people, shall withhold the requisite means, or, in some authoritative manner, direct the contrary. I trust this will not be regarded as a menace, but only as the declared purpose of the Union that it will constitutionally defend and maintain itself. In doing this there need be no bloodshed or violence; and there shall be none, unless it be forced upon the National authority. The power confided to me will be used to hold, occupy, and possess the property and places belonging to the government, and to collect the duties and imposts; but beyond what may be necessary for these objects, there will be no invasion, no using of force against or among the people anywhere. Where hostility to the United States, in any interior locality, shall be so great and universal as to prevent competent resident citizens from holding the Federal offices, there will be no attempt to force obnoxious strangers among the people for that object. While the strict legal right may exist in the government to

enforce the exercise of these offices, the attempt to do so would be so irritating, and so nearly impracticable withal, that I deem it better to forego, for the time, the uses of such offices.

The mails, unless repelled, will continue to be furnished in all parts of the Union. So far as possible, the people everywhere shall have that sense of perfect security which is most favorable to calm thought and reflection. The course here indicated will be followed, unless current events and experience shall show a modification or change to be proper, and in every case and exigency my best discretion will be exercised, according to circumstances actually existing, and with a view and a hope of a peaceful solution of the National troubles, and the restoration of fraternal sympathies and affections.

That there are persons in one section or another who seek to destroy the Union at all events, and are glad of any pretext to do it, I will neither affirm nor deny; but if there be such, I need address no word to them. To those, however, who really love the Union, may I not speak?

Before entering upon so grave a matter as the destruction of our National fabric, with all its benefits, its memories, and its hopes, would it not be wise to ascertain why we do it? Will you hazard so desperate a step while there is any possibility that any portion of the certain ills you fly from have no real existence? Will you, while the certain ills you fly to are greater than all the real ones you fly from,—will you risk the omission of so fearful a mistake?

All profess to be content in the Union, if all constitutional rights can be maintained. Is it true, then, that any right, plainly written in the Constitution, has been denied? I think not. Happily the human mind is so constituted that no party can reach to the audacity of doing this. Think, if you can, of a single instance in which a plainly written provision of the Constitution has ever been denied. If, by the mere force of numbers, a majority should deprive a minority of any clearly written constitutional right, it might, in a moral point of view, justify revolution—certainly would if such right were a vital one. But such is not our case. All the vital rights of minorities and of individuals are so plainly assured to them by affirmations and negations, guarantees and prohibitions in the Constitution, that controversies never arise concerning them. But no organic law can ever be framed with a provision specifically applicable to every question which may occur in practical administration. No foresight can anticipate, nor any document of reasonable length contain, express provisions for all possible questions. Shall fugitives from labor be surrendered by National or State authority? The Constitution does not expressly say. May Congress prohibit slavery in the Territories? The Constitution does not

expressly say. Must Congress protect slavery in the Territories? The Constitution does not expressly say.

From questions of this class spring all our constitutional controversies, and we divide upon them into majorities and minorities. If the minority will not acquiesce, the majority must, or the government must cease. There is no other alternative; for continuing the government is acquiescence on one side or the other. If a minority in such case will secede rather than acquiesce, they make a precedent, which, in turn, will divide and ruin them; for a minority of their own will secede from them whenever a majority refuses to be controlled by such a minority. For instance, why may not any portion of a new confederacy, a year or two hence, arbitrarily secede again, precisely as portions of the present Union now claim to secede from it? All who cherish disunion sentiments are now being educated to the exact temper of doing this.

Is there such perfect identity of interests among the States to compose a new Union, as to produce harmony only, and prevent secession?

Plainly, the central idea of secession is the essence of anarchy. A majority held in restraint by constitutional checks and limitations, and always changing easily with deliberate changes of popular opinions and sentiments, is the only true sovereign of a free people. Whoever rejects it, does, of necessity, fly to anarchy or to despotism. Unanimity is impossible; the rule of a minority, as a permanent arrangement, is wholly inadmissible; so that, rejecting the majority principle, anarchy or despotism, in some form, is all that is left.

Physically speaking, we cannot separate. We cannot remove our respective sections from each other, nor build an impassable wall between them. A husband and wife may be divorced, and go out of the presence and beyond the reach of each other; but the different parts of our country cannot do this. They cannot but remain face to face, and intercourse, either amicable or hostile, must continue between them. It is impossible, then, to make that intercourse more advantageous or more satisfactory after separation than before. Can aliens make treaties easier than friends can make laws? Can treaties be more faithfully enforced between aliens than laws can among friends? Suppose you go to war, you cannot fight always, and when after much loss on both sides and no gain on either you cease fighting, the identical old questions as to terms of intercourse are again upon you.

This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government they can exercise their constitutional right of amending it, or their revolutionary right to dismember or overthrow it. I cannot be ignorant of the fact that many worthy and patriotic citizens are desirous of having the National Constitution amended. I understand a pro-



posed amendment to the Constitution—which amendment, however, I have not seen—has passed Congress, to the effect that the Federal Government shall never interfere with the domestic institutions of the States, including that of persons held to service. To avoid misconstruction of what I have said, I depart from my purpose not to speak of particular amendments, so far as to say that, holding such a provision now to be implied constitutional law, I have no objections to its being made express and irrevocable.

The Chief Magistrate derives all his authority from the people, and they have conferred none upon him to fix terms for the separation of the States. The people themselves can do this also if they choose, but the Executive, as such, has nothing to do with it. His duty is to administer the present government as it came to his hands, and to transmit it, unimpaired by him, to his successor. Why should there not be a patient confidence in the ultimate justice of the people? Is there any better of equal hope in the world? In our present differences in either party without faith of being in the right? If the Almighty Ruler of Nations, with his eternal truth and justice, be on your side of the North, or yours of the South, that truth and that justice will surely prevail, by the judgment of this great tribunal of the American people. By the frame of the government under which we live, the same people have wisely given their public servants but little power for mischief, and have with equal wisdom provided for the return of that little to their own hands at very short intervals. While the people retain their virtue and vigilance, no administration, by any extreme of wickedness or folly, can very seriously injure the government in the short space of four years.

My countrymen, one and all, think calmly and well upon this whole subject. Nothing valuable can be lost by taking time. If there be an object to hurry any of you in hot haste to a step which you would never take deliberately, that object will be frustrated by taking time; but no good object can be frustrated by it. Such of you as are now dissatisfied still have the old Constitution unimpaired, and on the sensitive point, the laws of your own framing under it; while the new administration will have no immediate power, if it would, to change either. If it were admitted that you who are dissatisfied hold the right side in this dispute there is still no single good reason for precipitate action. Intelligence, patriotism, Christianity, and a firm reliance on Him who has never yet forsaken this favored land are still competent to adjust in the best way all our present difficulty. In your hands, my dissatisfied fellow-countrymen, and not in mine, are the momentous issues of civil war. The government will not assail you. You can have no conflict without being yourselves the aggressors. You have no oath registered in Heaven to de-

stroy the government, while I shall have the most solemn one to "preserve, protect, and defend" it.

I am loth to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break, our bonds of affection. The mystic cords of memory, stretching from every battle-field and patriot grave to every living heart and hearth-stone all over this broad land, will yet swell the chorus of the Union when again touched, as surely they will be, by the better angels of our nature.

#### ABRAHAM LINCOLN'S GETTYSBURG ADDRESS

Fourscore and seven years ago our fathers brought forth upon this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal. Now we are engaged in a great civil war, testing whether that nation, or any nation so conceived and so dedicated, can long endure. We are met on a great battle-field of that war. We have come to dedicate a portion of that field as a final resting-place for those who here gave their lives that that nation might live. It is altogether fitting and proper that we should do this. But in a larger sense we cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it far above our power to add or detract. The world will little note, nor long remember, what we say here, but it can never forget what they did here. It is for us, the living, rather to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us, that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion; that we here highly resolve that these dead shall not have died in vain; that this nation under God, shall have a new birth of freedom, and that government of the people by the people, and for the people, shall not perish from the earth.

#### JAMES A. GARFIELD ON RECONSTRUCTION

Mr. Chairman, viewed from the standpoint of a foreigner, our government may be said to be the feeblest on earth. From our standpoint, and with our experience, it is the mightiest. But why would a foreigner call it the feeblest? He can point out a half dozen ways in which it can be destroyed with violence. Of course all governments may be overturned by the sword; but there are several ways in which our government may be annihilated without the firing of a gun.

For example, if the people of the United States should say we will elect no Representatives to the House of Representatives. Of course, this is a violent sup-

position; but suppose that they do not, is there any remedy? Does our Constitution provide any remedy whatever? In two years there would be no House of Representatives; of course no support of the government, and no government. Suppose, again, the States should say, through their Legislatures, we will elect no Senators. Such abstention alone would absolutely destroy this government; and our system provides no process of compulsion to prevent it.

Again, suppose the two Houses were assembled in their usual order, and a majority of one in this body or in the Senate should firmly band themselves together and say, we will vote to adjourn the moment the hour of meeting arrives, and continue so to vote at every session during our two years of existence; the government would perish, and there is no provision of the Constitution to prevent it. Or again, if a majority of one of either body should declare that they would vote down, and did vote down, every bill to support the government by appropriations, can you find in the whole range of our judicial or our executive authority any remedy whatever? A Senator or a member of this House is free, and may vote "no" on every proposition. Nothing but his oath and his honor restrains him. Not so with executive and judicial officers. They have no power to destroy this government. Let them travel an inch beyond the line of the law, and they fall within the power of impeachment. But, against the people who create Representatives; against the Legislatures who create Senators; against Senators and Representatives in these Halls, there is no power of impeachment; there is no remedy, if, by abstention or by adverse votes, they refuse to support the government.

At a first view, it would seem strange that a body of men so wise as our fathers were should have left a whole side of their fabric open to these deadly assaults; but on a closer view of the case their wisdom will appear. What was their reliance? This: the sovereign of this nation, the God-crowned and Heaven-anointed sovereign, in whom resides "the State's collected will," and to whom we all owe allegiance, is the people themselves. Inspired by a love of country and a deep sense of obligation to perform every public duty; being themselves the creators of all the agencies and forces to execute their own will, and choosing from themselves their Representatives to express that will in the forms of law, it would have been like a suggestion of suicide to assume that any of these great voluntary powers would be turned against the life of the government. Public opinion—that great ocean of thought from whose level all heights and all depths are measured—was trusted as a power amply able, and always willing, to guard all the approaches on that side of the Constitution from any assault on the life of the nation.

Up to this hour our sovereign has never failed us. There has never been such a refusal to exercise those primary functions of sovereignty as either to endanger or



cripple the government; nor have the majority of the Representatives of that sovereign in either House of Congress ever before announced their purpose to use their voluntary powers for its destruction. And now, for the first time in our history, and I will add for the first time for at least two centuries in the history of any English-speaking nation, it is proposed and insisted upon that these voluntary powers shall be used for the destruction of the government. I want it distinctly understood that the proposition which I read at the beginning of my remarks, and which is the programme announced to the American people to-day, in this: that if this House cannot have its own way in certain matters, not connected with appropriations, it will so use, or refrain from using, its voluntary powers as to destroy the government.

Now, Mr. Chairman, it has been said on the other side that when a demand for the redress of grievances is made, the authority that runs the risk of stopping and destroying the government is the one that resists the redress. Not so. If gentlemen will do me the honor to follow my thought for a moment more I trust I will make this denial good.

Our theory of law is free consent. That is the granite foundation of our whole superstructure. Nothing in this republic can be law without consent—the free consent of the House; the free consent of the Senate; the free consent of the Executive, or, if he refuse it, the free consent of two thirds of these bodies. Will any man deny that? Will any man challenge a line of the statement that free consent is the foundation rock of all our institutions? And yet the programme announced two weeks ago was that if the Senate refused to consent to the demand of the House the government should stop. And the proposition was then, and the programme is now, that, although there is not a Senate to be coerced, there is still a third independent branch in the legislative power of the government whose consent is to be coerced at the peril of the destruction of this government; that is, if the President, in the discharge of this duty, shall exercise his plain constitutional right to refuse his consent to this proposed legislation, the Congress will so use its voluntary powers as to destroy the government. This is the proposition which we confront; and we denounce it as revolution.

It makes no difference, Mr. Chairman, what the issue is. If it were the simplest and most inoffensive proposition in the world, yet if you demand, as a matter of coercion, that it shall be adopted against the free consent prescribed in the Constitution, every fair-minded man in America is bound to resist you as much as though his own life depended upon his resistance.

Let it be understood that I am not arguing the merits of any one of the three amendments. I am discussing the proposed method of legislation; and I declare

that it is against the Constitution of our country. It is revolutionary to the core, and it is destructive of the fundamental element of American liberty, the free consent of all the powers that unite to make the laws.

In opening this debate I challenge all comers to show a single instance in our history where this consent has been coerced. This is the great, the paramount issue, which dwarfs all others into insignificance.

But I am compelled by the necessities of the cause to refer to a chapter of our recent history. The last act of Democratic domination in this Capitol, eighteen years ago, was striking and dramatic, perhaps heroic. Then the Democratic party said to the Republicans: "If you elect the man of your choice as President of the United States we will shoot your government to death;" and the people of this country, refusing to be coerced by threats of violence, voted as they pleased, and lawfully elected Abraham Lincoln as President of the United States.

Then your leaders, though holding a majority in the other branch of Congress, were heroic enough to withdraw from their seats and fling down the gage of mortal combat. We called it rebellion; but we recognized it as courageous and manly to avow your purpose, take all the risks, and fight it out in the open field. Notwithstanding your utmost efforts to destroy it, the government was saved. Year by year since the war ended those who resisted you have come to believe that you have fully renounced your purpose to destroy and are willing to maintain the government. In that belief you have been permitted to return to power in the two Houses.

To-day, after eighteen years of defeat, the book of your domination is again opened, and your first act awakens every unhappy memory and threatens to destroy the confidence which your professions of patriotism inspired. You turned down a leaf of history that recorded your last act of power in 1861, and you have now signalized your return to power by beginning a second chapter at the same page; not this time by an heroic act that declares war on the battlefield, but you say if all the legislative powers of the government do not consent to let you tear certain laws out of the statute-book you will not shoot our government to death as you tried to do in the first chapter, but you declare that if we do not consent against our will, if you cannot coerce an independent branch of this government against its will, to allow you to tear from the statute-books some laws put there by the will of the people, you will starve the government to death.

Between death on the field and death by starvation, I do not know that the American people will see any great difference. The end, if successfully reached, would be death in either case. Gentleman, you have it in your power to kill this government; you have it in your power by withholding these two bills, to smite the nerve-centres of our Constitution with the paralysis of death, and you have declared

your purpose to do this, if you cannot break down that fundamental element of free consent which up to this hour has always ruled in the legislation of this government.

Gentlemen, we have calmly surveyed this new field of conflict; we have tried to count the cost of the struggle, as we did that of 1861 before we took up your gage of battle. Though no human foresight could forecast the awful loss of blood and treasure, yet in the name of liberty and union we accepted the issue and fought it out to the end. We made the appeal to our august sovereign, to the omnipotent public opinion of America, to determine whether the Union should perish at your hands. You know the result. And now lawfully, in the exercise of our right as Representatives, we take up the gage you have this day thrown down, and appeal again to our common sovereign to determine whether you shall be permitted to destroy the principle of free consent in legislation under the threat of starving the government to death.

We are ready to pass these bills for the support of the government at any hour when you will offer them in the ordinary way, by the methods prescribed in the Constitution. If you offer those propositions of legislation as separate measures we will meet you in the fraternal spirit of fair debate and will discuss their merits. Some of your measures many of us will vote for in separate bills. But you shall not coerce any independent branch of this government, even by the threat of starvation, to consent to surrender its voluntary powers until the question has been appealed to the sovereign and decided in your favor. On this ground we plant ourselves, and here will stand to the end.



## CHAPTER XIX

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# NATURALIZATION AND OTHER IMPORTANT LEGISLATION

Under the provisions of an act passed by the House June 5, 1906, and by the Senate June 27, a bureau of immigration and naturalization was established, and also a uniform rule for the naturalization of aliens throughout the United States.

The law establishes a bureau of immigration and naturalization and provides for a uniform rule for the naturalization of aliens throughout the United States. The title of the old bureau of immigration is changed to "bureau of immigration and naturalization" and the bureau in addition to its former duties is given charge of all matters concerning the naturalization of aliens. It is required to provide for use at the various immigration stations books of record wherein are to be registered the name, age, occupation, personal description, place of birth, last residence, intended place of residence and date of arrival of each alien arriving in the United States.

Exclusive jurisdiction to naturalize aliens resident in their districts is conferred upon the United States Circuit and District courts and all courts of record having a seal, a clerk and jurisdiction in actions in law or equity or both in which the amount in controversy is unlimited.

An alien may be admitted to citizenship in the following manner and not otherwise:

1. He shall declare on oath before the clerk of the proper court at least two years before his admission, and after he has reached the age of 18 years, that it is bona fide his intention to become a citizen of the United States and to renounce allegiance to any foreign state or sovereignty. Such declaration shall set forth the same facts as are registered at the time of his arrival.

2. Not less than two years nor more than seven after he has made such declaration he shall file a petition, signed by himself and verified, in which he shall state his name, place of residence, occupation, date and place of birth, place from which he emigrated, name of the vessel in which he arrived; the time when and the place and name of the court where he declared his intention of becoming a

citizen; if he is married, he shall state the name of his wife, the country of her nativity and her place of residence at the time the petition is filed, and if he has children, the name, date and place of birth and place of residence of each child living. The petition shall also set forth that he is not a disbeliever in or opposed to organized government or a member of any body of persons opposed to organized government, and that he is not a polygamist or a believer in polygamy: that he intends to become a citizen of and to live permanently in the United States, and every other fact material to his naturalization and required to be proved upon the final hearing of his application. The petition shall be verified by the affidavits of at least two credible witnesses who are citizens. At the time of the filing of the petition there shall be also filed a certificate from the department of commerce and labor stating the date, place and manner of his arrival in the United States and the declaration of intention of such petitioner, which certificate and declaration shall be attached to and be a part of his petition.

3. He shall, before he is admitted to citizenship, declare on oath in open court that he will support the constitution of the United States, and that he absolutely renounces all allegiance to any foreign prince, potentate, state or sovereignty.

4. It shall be made to appear to the satisfaction of the court admitting any alien to citizenship that immediately preceding the date of his application he has resided continuously within the United States five years at least, and within the state or territory where such court is at the time held one year at least, and that during that time he has behaved as a man of good moral character, attached to the principles of the constitution. In addition to the oath of the applicant, the testimony of at least two witnesses, citizens of the United States, as to the facts of residence, moral character and attachment to the principles of the constitution shall be required.

5. He must renounce any hereditary title or order of nobility which he may possess.

6. When any alien, who has declared his intention, dies before he is actually naturalized the widow and minor children may, by complying with the other provisions of the act, be naturalized without making any declaration of intention.

Immediately after the filing of the petition the clerk of the court shall give notice thereof by posting in a public place the name, nativity and residence of the alien, the date and place of his arrival in the United States and the date for the final hearing of his petition and the names of the witnesses whom the applicant expects to summon in his behalf. Petitions for naturalization may be filed at any time, but final action thereon shall be had only on stated days and in no case until at least ninety days have elapsed after the filing of the petition. No person

shall be naturalized within thirty days preceding a general election within the territorial jurisdiction of the court.

No person who disbelieves in or who is opposed to organized government, or who is a member of or affiliated with any organization entertaining and teaching such disbelief in or opposition to organized government, or who advocates or teaches the duty, necessity or propriety of the unlawful assaulting or killing of any officer or officers of the government of the United States, or of any other organized government, because of his or their official character, or who is a polygamist, shall be naturalized.

No alien shall hereafter be naturalized or admitted as a citizen of the United States who cannot speak the English language. This requirement does not apply to those physically unable to comply with it; or to those making homestead entries upon the public lands of the United States.

Every final hearing upon petitions shall be held in open court before a judge and every final order shall be under the hand of the court and entered in full upon a record and the applicant and witnesses shall be examined under oath. The United States shall have the right to cross-examine the petitioner and his witnesses and shall also have the right to call witnesses, produce evidence and be heard in opposition to the granting of any petition in naturalization proceedings.

It is made the duty of the clerk to keep and file a duplicate of each declaration of intention and within thirty days after the issuance of a certificate of naturalization send a duplicate of such certificate to the bureau in Washington. It shall also be his duty to report the name of each alien who is denied naturalization. Clerks of courts having jurisdiction of naturalization matters are responsible for all blank certificates of citizenship received by them and shall account for them.

The following fees shall be charged:

For receiving and filing a declaration of intention and issuing a duplicate, \$1.

For making, filing and docketing the petition for citizenship and for the final hearing, \$2.

For entering the final order and the issuance of the certificate of citizenship, \$2.

The clerk of the court is to retain one-half of the fees collected during the fiscal year up to the sum of \$3,000. The other half and all above \$3,000 shall be turned over to the government.

Any person who shall forge or assist in forging a certificate of citizenship shall be imprisoned for not more than ten years or fined not to exceed \$10,000, or both. Any person who shall engrave or have in his possession any plate in the likeness of any plate designed for the printing of certificates of citizenship shall be punished by a fine of not more than \$10,000 or by imprisonment at hard labor for not more



than ten years or by both. Any person who knowingly procures naturalization in violation of the provisions of the act shall be fined not more than \$5,000 or shall be imprisoned not more than five years, or both.

Other important legislation passed by the 59th Congress was the President's Traveling Expense Bill, a bill for the Preservation of Niagara Falls, the Panama Canal Bill, and a bill for the Liability of Railroads to Employes. The first named was passed on June 20, 1906 by the House, and by the Senate on June 22. It provides that hereafter there may be expended for or on account of the traveling expenses of the president of the United States such sum as congress may from time to time appropriate, not exceeding \$25,000 per annum, such sum when appropriated to be expended in the discretion of the president and accounted for on his certificate solely. There is hereby appropriated out of any money in the treasury not otherwise appropriated for the purposes authorized in this act for the fiscal year 1907 the sum of \$25,000.

The Niagara Falls bill was passed by the House June 4, 1906 and by the Senate June 7. By its terms the diversion of water from the Niagara river is prohibited except with the consent of the secretary of war. This does not apply to the diversion of the water of the great lakes for sanitary, domestic or navigation purposes. The president of the United States is requested to open negotiations with the government of Great Britain for the purpose of providing by treaty for such regulation and control of the Niagara river and its tributaries as will preserve the scenic grandeur of the Niagara falls and rapids.

The Panama Canal Bill was passed by the Senate June 21, 1906, and by the House June 27. This bill provides that a lock canal be constructed across the Isthmus of Panama connecting the waters of the Atlantic and Pacific oceans of the general type proposed by the minority of the board of consulting engineers, created by order of the president dated Jan. 24, 1905, in pursuance of an act entitled "An act to provide for the construction of a canal connecting the waters of the Atlantic and Pacific oceans," approved June 28, 1902.

The Railroad Liability Bill, was passed by the House April 2, 1906 and by the Senate June 1. The law provides that no contract of employment, insurance, relief, benefit or indemnity for injury or death entered into by any employe of a railroad engaged in interstate commerce shall constitute any bar or defense to an action brought to recover damages for personal injuries to or death of such employe. Slight contributory negligence shall not be a bar to the recovery of damages.

## CHAPTER XX

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### MEAT INSPECTION LAW

One of the most important pieces of legislation that was enacted by the 59th Congress was that generally known as the "Meat Inspection Law." This was passed by the Senate May 25, 1906, and by the House June 19. It was passed as an amendment to the Agricultural Appropriation bill, and its substance is as follows:

That for the purpose of preventing the use in interstate or foreign commerce of meat and meat food products which are unsound, unhealthful, unwholesome or otherwise unfit for human food, the secretary of agriculture, at his discretion, may cause to be made by inspectors appointed for that purpose an examination and inspection of all cattle, sheep, swine and goats before they shall be allowed to enter into any slaughtering, packing, meat-canning, rendering or similar establishment, in which they are to be slaughtered; and all cattle, swine, sheep and goats found on such inspection to show symptoms of disease shall be set apart and slaughtered separately, and when so slaughtered the carcasses shall be subject to a careful inspection, all as provided by the rules and regulations to be prescribed by the secretary of agriculture.

That for the purposes hereinbefore set forth the secretary of agriculture shall cause to be made a post-mortem examination and inspection of the carcasses and parts thereof of all cattle, sheep, swine and goats to be prepared for human consumption at any slaughtering, meat-canning, salting, packing, rendering or similar establishment in any state, territory or the District of Columbia for transportation or sale as articles of interstate or foreign commerce; and the carcasses and parts thereof of all such animals found to be sound, healthful, wholesome and fit for human food shall be marked, stamped, tagged or labeled as "Inspected and passed"; and said inspectors shall label, mark, stamp or tag as "Inspected and condemned" all carcasses and parts thereof of animals found to be unsound, unhealthful, unwholesome or otherwise unfit for human food; and all carcasses and parts thereof thus inspected and condemned shall be destroyed for food purposes by the said establishment in the presence of an inspector and the secretary of agriculture may

remove inspectors from any such establishment which fails to so destroy any such condemned carcass or part thereof, and said inspectors, after said first inspection shall, when they deem it necessary, reinspect said carcasses or parts thereof to determine whether since the first inspection the same have become unsound, unhealthful, unwholesome or in any way unfit for human food.

The foregoing provisions shall apply to all carcasses or parts of carcasses of cattle, sheep, swine and goats, or the meat or meat products thereof which may be brought into any slaughtering, meat-canning, salting, packing, rendering or similar establishment, and such examination and inspection shall be had before the said carcasses or parts thereof shall be allowed to enter into any department wherein the same are to be treated and prepared for meat food products; and the foregoing provisions shall also apply to all such products which, after having been issued from any slaughtering, meat-canning, salting, packing, rendering or similar establishment, shall be returned to the same or to any similar establishment where such inspection is maintained.

That for the purposes hereinbefore set forth the secretary of agriculture shall cause to be made by inspectors an examination and inspection of all meat food products prepared for interstate or foreign commerce in any slaughtering, meat-canning, salting, packing, rendering or similar establishment, and for the purposes of any examination and inspection said inspectors shall have access at all times, by day or night, whether the establishment be operated or not, to every part of said establishment; and said inspectors shall mark, stamp, tag or label as "Inspected and passed" all such products found to be sound, healthful and wholesome and which contain no dyes, chemicals, preservatives or ingredients which render such meat or meat food products unsound, unhealthful, unwholesome or unfit for human food; and said inspectors shall label, mark, stamp or tag as "Inspected and condemned" all such products found unsound, unhealthful and unwholesome:

Provided, That, subject to the rules and regulations of the secretary of agriculture, the provisions hereof in regard to preservatives shall not apply to meat food products for export to any foreign country and which are prepared or packed according to the specifications or directions of the foreign purchaser, when no substance is used in the preparation or packing thereof in conflict with the laws of the foreign country to which said article is to be exported; but if said articles shall be in fact sold or offered for sale for domestic use or consumption then this proviso shall not exempt said article from the operation of all the other provisions of this act.

That when any meat or meat food product prepared for interstate or foreign commerce which has been inspected as hereinbefore provided and marked "In-



spected and passed" shall be placed or packed in any can, pot, tin, canvas or other receptacle or covering in any establishment where inspection is maintained, the person, firm or corporation preparing said product shall cause a label to be attached to said can, pot, tin, canvas or other receptacle or covering, under the supervision of an inspector, which label shall state that the contents thereof have been "Inspected and passed" under the provisions of this act; and no inspection and examination of meat or meat food products deposited or inclosed in cans, tins, pots, canvas or other receptacle or covering in any establishment where inspection is maintained shall be deemed to be complete until such meat or meat food products have been sealed or inclosed in said can, tin, pot, canvas or other receptacle or covering under the supervision of an inspector, and no such meat or meat food products shall be sold or offered for sale by any person, firm or corporation in interstate or foreign commerce under any false or deceptive name; but established trade name or names which are usual to such products and which are not false and deceptive and which shall be approved by the secretary of agriculture are permitted.

The secretary of agriculture shall cause to be made by experts in sanitation or by other competent inspectors such inspection of all slaughtering, meat-canning, salting, packing, rendering or similar establishments in which cattle, sheep, swine and goats are slaughtered and the meat and meat food products thereof are prepared for interstate or foreign commerce as may be necessary to inform himself concerning the sanitary conditions of the same and to prescribe the rules and regulations of sanitation under which such establishments shall be maintained; and where the sanitary conditions of any such establishment are such that the meat or meat food products are rendered unclean, unsound, unhealthful, unwholesome or otherwise unfit for human food, he shall refuse to allow said meat or meat food products to be labeled, marked, stamped or tagged as "Inspected and passed."

That the secretary of agriculture shall cause an examination and inspection of all cattle, sheep, swine and goats and the food products thereof, slaughtered and prepared in the establishments hereinbefore described for the purposes of interstate or foreign commerce to be made during the night time as well as during the daytime when the slaughtering of said cattle, sheep, swine and goats or the preparation of said food products is conducted during the night time

That on and after Oct. 1, 1906, no person, firm or corporation shall transport or offer for transportation, and no carrier of interstate or foreign commerce shall transport or receive for transportation from one state or territory or the District of Columbia to any other state or territory or the District of Columbia, or to any place under the jurisdiction of the United States, or to any foreign country, any carcasses

or parts thereof, meat, or meat food products thereof which have not been inspected, examined and marked as "Inspected and passed" in accordance with the terms of this act and with the rules and regulations prescribed by the secretary of agriculture: Provided, That all meat and meat food products on hand on Oct. 1, 1906, at establishments where inspection has not been maintained, or which have been inspected under existing law, shall be examined and labeled under such rules and regulations as the secretary of agriculture shall prescribe, and then shall be allowed to be sold in interstate or foreign commerce.

That no person, firm or corporation or officer, agent or employe thereof shall forge, counterfeit, simulate or falsely represent, or shall without proper authority use, fail to use or detach, or shall knowingly or wrongfully alter, deface or destroy, or fail to deface or destroy any of the marks, stamps, tags, labels or other identification devices provided for in this act or in and as directed by the rules and regulations prescribed hereunder by the secretary of agriculture on any carcasses, parts of carcasses or the food product or containers thereof, subject to the provisions of this act or any certificate in relation thereto authorized or required by this act or by the said rules and regulations of the secretary of agriculture.

That the secretary of agriculture shall cause to be made a careful inspection of all cattle, sheep, swine and goats intended and offered for export to foreign countries at such times and places and in such manner as he may deem proper to ascertain whether such cattle, sheep, swine and goats are free from disease.

And for this purpose he may appoint inspectors who shall be authorized to give an official certificate clearly stating the condition in which such cattle, sheep, swine and goats are found.

And no clearance shall be given to any vessel having on board cattle, sheep, swine or goats for export to a foreign country until the owner or shipper of such cattle, sheep, swine or goats has a certificate from the inspector stating that the said cattle, sheep, swine or goats are sound and healthy or unless the secretary of agriculture shall have waived the requirement of such certificate.

That the secretary of agriculture shall also cause to be made a careful inspection of the carcasses and parts thereof of all cattle, sheep, swine and goats, the meat of which fresh, salted, canned, corned, packed, cured, or otherwise prepared, is intended and offered for export to any foreign country, at such times and places and in such manner as he may deem proper.

And for this purpose he may appoint inspectors who shall be authorized to give an official certificate stating the condition in which said cattle, sheep, swine or goats and the meat thereof are found.

That the inspectors provided for herein shall be authorized to give official

certificates of the sound and wholesome condition of the cattle, sheep, swine and goats, their carcasses and products as herein described, and one copy of every certificate granted under the provisions of this act shall be filed in the department of agriculture, another copy shall be delivered to the owner or shipper, and when the cattle, sheep, swine and goats or their carcasses and products are sent abroad a third copy shall be delivered to the chief officer of the vessel on which the shipment shall be made.

That no person, firm or corporation engaged in the interstate commerce of meat or meat food products shall transport or offer for transportation, sell or offer to sell any such meat or meat food products in any state or territory or in the District of Columbia or any place under the jurisdiction of the United States, other than in the state or territory or in the District of Columbia or any place under the jurisdiction of the United States in which the slaughtering, packing, canning, rendering or other similar establishment owned, leased, operated by said firm person or corporation is located unless and until said person, firm or corporation shall have complied with all of the provisions of this act.

That any person, firm or corporation, or any officer or agent of any such person, firm or corporation who shall violate any of the provisions of this act shall be deemed guilty of a misdemeanor and shall be punished on conviction thereof by a fine of not exceeding \$10,000 or imprisonment for a period nor more than two years, or by both such fine and imprisonment, in the discretion of the court.

That the secretary of agriculture shall appoint from time to time inspectors to make examination and inspection of all cattle, sheep, swine and goats, the inspection of which is hereby provided for, and of all carcasses and parts thereof, and of all meats and meat food products thereof, and of the sanitary conditions of all establishments in which such meat and meat food products hereinbefore described are prepared, and said inspectors shall refuse to stamp, mark, tag or label any carcass or any part thereof or meat food product therefrom prepared in any establishment hereinbefore mentioned until the same shall have actually been inspected and found to be sound, healthful, wholesome and fit for human food, and to contain no dyes, chemicals, preservatives or ingredients which render such meat food product unsound, unhealthful, unwholesome or unfit for human food, and to have been prepared under proper sanitary conditions hereinbefore provided for, and shall perform such other duties as are provided by this act and by the rules and regulations to be prescribed by said secretary of agriculture.

That any person, firm or corporation or any agent or employe, of any person, firm or corporation who shall give, pay or offer, directly or indirectly, to any inspector, deputy inspector, chief inspector or any other officer or employe of the



United States authorized to perform any of the duties prescribed by this act or by the rules and regulations of the secretary of agriculture any money or other thing of value, with intent to influence said inspector, deputy inspector, chief inspector or other officer or employe of the United States in the discharge of any duty herein provided for shall be deemed guilty of a felony, and upon conviction thereof shall be punished by a fine not less than \$5,000 nor more than \$10,000 and by imprisonment not less than one year nor more than three years, and any inspector, deputy inspector, chief inspector or other officer or employe of the United States authorized to perform any of the duties prescribed by this act who shall accept any money, gift or other thing of value from any person, firm or corporation or officers, agents or employes thereof, given with intent to influence his official action, or who shall receive or accept from any person, firm or corporation engaged in interstate or foreign commerce any gift, money or other thing of value given with any purpose or intent whatsoever, shall be deemed guilty of a felony and shall upon conviction thereof be summarily discharged from office and shall be punished by a fine not less than \$1,000 nor more than \$10,000 and by imprisonment not less than one year nor more than three years.

That the provisions of this act requiring inspection to be made by the secretary of agriculture shall not apply to animals slaughtered by any farmer on the farm and sold and transported as interstate or foreign commerce, nor to retail butchers and retail dealers in meat and meat food products, supplying their customers: Provided, That if any person shall sell or offer for sale or transportation for interstate or foreign commerce any meat or meat food products which are diseased, unsound, unhealthful, unwholesome or otherwise unfit for human food, knowing that such meat food products are intended for human consumption, he shall be guilty of a misdemeanor and on conviction thereof shall be punished by a fine not exceeding \$1,000 or by imprisonment for a period of not exceeding one year, or by both such fine and imprisonment: Provided also, That the secretary of agriculture is authorized to maintain the inspection in this act provided for at any slaughtering, meat-canning, salting, packing, rendering or similar establishment notwithstanding this exception, and that the persons operating the same may be retail butchers and retail dealers or farmers, and where the secretary of agriculture shall establish such inspection then the provisions of this act shall apply notwithstanding this exception.

That there is permanently appropriated out of any money in the treasury not otherwise appropriated the sum of \$3,000,000 for the expenses of the inspection, and the secretary of agriculture shall in his annual estimates made to congress submit a statement in detail showing the number of persons employed in such inspec-

tions and the salary or per diem paid to each, together with the contingent expenses of such inspectors and where they have been and are employed.

### RULES FOR PACKERS

In accordance with the provisions of the law the secretary of agriculture issued rules July 27 for observance by the packers. The regulations are in substance as follows:

Diseased animals shall not be used for food nor shall any meats which are not healthy and prepared in a cleanly manner be issued from a packing house.

No preservatives of any kind whatsoever save salt, sugar, wood-smoke, vinegar pure spices and temporarily saltpeter shall be used.

All meat food packages shall bear labels accurately stating their contents.

The most modern principles of sanitation shall be observed in all packing houses, and proper sanitary conveniences, separated from the rooms in which the meats are prepared, shall be provided for employes.

The clothing and implements of employes shall be clean.

No persons afflicted with tuberculosis shall be employed in a packing house.

## CHAPTER XXI

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# RAILROAD RATE LAW

By the amendment to the Interstate Commerce Law of 1887, generally known as the "Railroad Rate Law," the powers of the Interstate Commerce Commission were considerably enlarged. The act, which was passed by the House February 8, 1906, and by the Senate May 18, is made to apply to any corporation, person or persons engaged in the transportation of oil or other commodity, except water and gas, by pipe lines, railroads or ships, who shall be considered to be common carriers, and to any common carrier or carriers engaged in interstate commerce, whether transporting passengers or freight. The term "common carrier," as used in the act, includes express companies and sleeping-car companies. It is the duty of every carrier subject to the provisions of the act to furnish transportation upon reasonable request therefor, and to establish through routes and just and reasonable rates applicable thereto.

All charges made for any service rendered or to be rendered in the transportation of passengers or property, or in connection therewith, shall be just and reasonable; and every unjust and unreasonable charge for any such service or any part thereof is prohibited and declared to be unlawful.

No common carrier subject to the provisions of this act shall, after Jan. 1, 1907, directly or indirectly, issue or give any interstate free ticket, free pass, or free transportation for passengers, except to its employes and their families, its officers, agents, surgeons, physicians and attorneys; to ministers of religion, traveling secretaries of Young Men's Christian associations, and persons engaged exclusively in charitable and eleemosynary work; to indigent, destitute and homeless persons; to inmates of soldiers' and sailors' homes; to necessary caretakers of live stock, poultry and fruit; to employes on sleeping cars and express cars, and to linemen of telegraph and telephone companies; to newsboys on trains, baggage agents, railway mail service employes, postoffice, customs and immigration inspectors; to witnesses in which the common carrier is interested, persons injured in wrecks and physicians and nurses attending such persons. Passengers may be carried free with the object of providing relief in cases of general epidemic or other calamitous



visitation. Any common carrier who violates this provision, or any person accepting a free pass, unless in the excepted classes, is liable to a fine of not less than \$100 or more than \$2,000.

From and after May 1, 1908, it shall be unlawful for any railroad company to transport from one state to another any article or commodity, other than timber and the manufactured products thereof, manufactured, mined or produced by it, or under its authority, or which it may own in whole or in part, or in which it may have any interest, direct or indirect, except such articles or commodities as may be necessary and intended for its use in the conduct of its business as a common carrier.

Any common carrier upon the application of any lateral, branch line of railroad, or of any shipper tendering interstate traffic for transportation, shall construct and operate upon reasonable terms a switch connection with such lateral, branch line of railroad, where such connection is reasonably practicable and can be put in with safety and will furnish sufficient business to justify it; and shall furnish cars for the movement of such traffic to the best of its ability without discrimination in favor or against such shipper.

Every common carrier shall file with the commission and print and keep open to public inspection schedules showing all the rates, fares and charges for transportation between points on its own route and points on the route of any other railroad when through and joint rates have been established. If no joint rates have been established the several carriers in such through route shall furnish schedules of the separately established rates. The schedules shall plainly state the places between which passengers and property will be carried, and shall contain the classification of freight in force, and shall also state separately all terminal, storage and icing charges, and all other charges which the commission may require. No changes in the published rates shall be made except after thirty days' notice to the commission. Every common carrier shall also file with the commission copies of all contracts, agreements or arrangements with other common carriers in relation to any traffic affected by the provisions of this act to which it may be a party.

No common carrier shall charge or collect a greater or less or different compensation than that specified in the tariff filed; nor shall any carrier refund or remit in any manner or by any device any portion of the rates, fares and charges so specified, nor extend to any shipper or person any privileges or facilities except such as are specified in such tariffs.

The willful failure upon the part of any carrier to file and publish the tariffs or to strictly observe such tariffs until changed according to law shall be a misdemeanor punishable by a fine of not less than \$1,000 or more than \$20,000; and it shall be unlawful for any person, persons or corporation to offer, grant or give, or

to solicit, accept or receive any rebate, concession or discrimination in respect to the transportation of any property in interstate or foreign commerce by any common carrier whereby such property shall by any device whatever be transported at a less rate than that named in the tariffs published and filed by such carrier. Every carrier or shipper violating this provision is liable to a fine of from \$1,000 to 20,000. Any officer or agent of any corporation who shall be convicted of violating this provision of the law is liable to imprisonment in the penitentiary for a term not exceeding two years, or both such fine and imprisonment, in the discretion of the court.

Any person, corporation or company who shall knowingly by any means or device whatsoever receive from a common carrier any sum of money or any other valuable consideration as a rebate or offset against the regular charge for transportation of property as fixed by the schedule of rates, shall in addition to any penalty provided by the act forfeit to the United States a sum of money three times the value of the money or other consideration so received; and the attorney-general of the United States is authorized to institute a civil action to collect the sums so forfeited, and in the trial of such action all such rebates or other consideration so forfeited for a period of six years prior to the commencement of the action may be included therein.

Section 15 of the act of 1887 is amended so as to read:

“That the commission is authorized and empowered, and it shall be its duty, whenever, after full hearing upon a complaint made as provided in section 13 of this act, or upon complaint of any common carrier, it shall be of the opinion that any of the rates or charges whatsoever, demanded, charged or collected by any common carrier or carriers, subject to the provisions of this act, for the transportation of persons or property as defined in the first section of this act, or that any regulations or practices whatsoever of such carrier or carriers affecting such rates, are unjust and unreasonable, or unjustly discriminatory, or unduly preferential or prejudicial, or otherwise in violation of any of the provisions of this act, to determine and prescribe what will be the just and reasonable rate or rates, charge or charges, to be thereafter observed in such case as the maximum to be charged; and what regulation or practice in respect to such transportation is just, fair and reasonable to be thereafter followed; and to make an order that the carrier shall cease and desist from such violation, to the extent to which the commission finds the same to exist, and shall not thereafter publish, demand or collect any rate or charge for such transportation in excess of the maximum rate or charge so prescribed, and shall conform to the regulation or practice so prescribed. All orders of the commission except orders for the payment of money shall take effect within such reason-

able time, not less than thirty days, and shall continue in force for such period of time, not exceeding two years, as shall be prescribed in the order of the commission, unless the same shall be suspended or modified or set aside by a court of competent jurisdiction. Whenever the carrier or carriers, in obedience to such order of the commission or otherwise, in respect to joint rates, fares or charges, shall fail to agree among themselves upon the apportionment or division thereof, the commission may, after hearing, make a supplemental order prescribing the just and reasonable proportion of such joint rate to be received by each carrier party thereto, which order shall take effect as a part of the original order.

“The commission may also, after hearing on a complaint, establish through routes and joint rates as the maximum to be charged and prescribe the divisions of such rates as hereinbefore provided, and the terms and conditions under which such through routes shall be operated, when that may be necessary to give effect to any provision of this act, and the carriers complained of have refused or neglected to voluntarily establish such through routes and joint rates, provided no reasonable or satisfactory through route exists, and this provision shall apply when one of the connecting carriers is a water line.

“If the owner of property transported under this act directly or indirectly renders any service connected with such transportation, or furnishes any instrumentality used therein, the charge and allowance made therefor shall be no more than is just and reasonable, and the commission may, after hearing on a complaint, determine what is a reasonable charge as the maximum to be paid by the carrier or carriers for the service so rendered or for the use of the instrumentality so furnished, and fix the same by appropriate order, which order shall have the same force and effect and be enforced in like manner as the orders above provided for in this section.

“The foregoing enumeration of powers shall not exclude any power which the commission would otherwise have in the making of an order under the provisions of this act.”

If the commission shall determine that any party complainant is entitled to an award of damages for any violation of the provisions of the act the commission shall make an order directing the carrier to pay the complainant the sum to which he is entitled on or before a day named. If a carrier does not comply with such an order the complainant may file in the Circuit court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the road of the carrier runs, a petition setting forth briefly the causes for which he claims damages and the order of the commission in the premises. Such suit shall proceed in all respects like other civil suits for damages, except that



the findings and order of the commission shall be prima facie evidence of the facts stated therein and that the petitioner shall not be liable for costs. If the petitioner shall finally prevail he shall be allowed a reasonable attorney's fee.

Any carrier or representative of a carrier who knowingly neglects to obey any order under section 15 of the act shall forfeit to the United States the sum of \$5,000 for each offense and it shall be the duty of the various district attorneys to prosecute for the recovery of forfeitures. If any carrier fails or neglects to obey any order of the commission, other than for the payment of money, while the same is in effect, any party injured thereby, or the commission in its own name, may apply to the Circuit court for an enforcement of such order. Such application shall be by petition. If upon such hearing as the court may deem necessary it appears that the order was regularly made and duly served the court shall enforce obedience by writ of injunction or other proper process. From any action upon such petition an appeal shall lie by either party to the Supreme court of the United States, and in such court the case shall have priority of hearing and determination over all other causes except criminal causes, but the appeal shall not vacate the order appealed from.

The provisions of the act to expedite the hearing and determination of suits in equity, approved Feb. 11, 1903, are made applicable to suits brought against the commission to enjoin, suspend or set aside any of its orders or requirements. No injunction, interlocutory order or decree suspending or restraining the enforcement of an order of the commission shall be granted except on hearing after not less than five days' notice to the commission. An appeal may be taken from any interlocutory decree or order granting or continuing injunction in any suit, but shall lie only to the Supreme court of the United States. The appeal must be taken within thirty days from the entry of such order or decree and it shall take precedence in the appellate court over all other causes, except causes of like character and criminal causes.

After a decision, order or requirement has been made by the commission in any proceeding any party thereto may at any time make application for a rehearing of the same and it shall be lawful for the commission to grant such a rehearing if sufficient reason therefor shall be made to appear.

For the purpose of enabling it the better to carry out the provisions of the law the commission may prescribe a period of time within which all common carriers shall have, as near as may be, a uniform system of accounts and the manner in which such accounts shall be kept. The commission shall at all times have access to the accounts. If carriers refuse to keep such accounts or to submit them to inspection they shall forfeit to the United States the sum of \$500 for each offense. Falsification of accounts or the keeping of accounts not authorized by the com-

mission is subject to a fine or not less than \$1,000 or more than \$5,000, or to imprisonment of from one to three years, or to both fine and imprisonment.

The interstate-commerce commission is enlarged so as to consist of seven members with terms of seven years and each is to receive \$10,000 compensation annually.

## CHAPTER XXII

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### PURE FOOD LAW

The pure food bill was passed by the House of Representatives May 25, 1906, and by the Senate June 19. The first section of the law prohibits the manufacture in any territory or in the District of Columbia of any article of food or drug which is adulterated or misbranded. Each violation of the law is punishable by a fine of not more than \$500 or by a year's imprisonment or by both. The second section prohibits the introduction into any state or territory from any other state or territory or from any foreign country or the shipment to any foreign country of adulterated or misbranded foods or drugs. Any person shipping, receiving, offering for sale or exporting such foods or drugs is subject to a fine of not exceeding \$200 for the first offense and to a fine of not more than \$300 or a year's imprisonment or both for each subsequent offense.

Section 3 provides that the secretaries of the treasury, agriculture and commerce and labor shall make rules for carrying out the provisions of the act, including the collection and examination of specimens of foods and drugs. Section 4 provides that the examinations shall be made in the bureau of chemistry of the department of agriculture or under the direction of that bureau. Persons accused of violating the act shall be given an opportunity to be heard at the examination. If the law has been violated the facts are to be certified by the secretary of agriculture to the proper United States district attorney, whose duty it shall be (section 5) to begin appropriate proceedings in the United States courts for the enforcement of the penalties.

Sections 7 and 8 in full are as follows:

"Sec. 7. That for the purpose of this act an article shall be deemed to be adulterated—

"In case of drugs:

"1. If, when a drug is sold under or by a name recognized in the United States Pharmacopœia or National Formulary, it differs from the standard of strength, quality or purity as determined by the test laid down in the United States Pharmacopœia or National Formulary official at the time of investigation: Provided,



That no drug defined in the United States Pharmacopœia or National Formulary shall be deemed to be adulterated under this provision if the standard of strength, quality or purity be plainly stated upon the bottle, box or other container thereof, although the standard may differ from that determined by the test laid down in the United States Pharmacopœia or National Formulary.

“2. If its strength or purity fall below the professed standard or quality under which it is sold.

“In the case of confectionery:

“If it contains terra alba, barytes, talc, chrome yellow or other mineral substance or poisonous color or flavor, or other ingredient deleterious or detrimental to health, or any vinous, malt or spirituous liquor or compound or narcotic drug.

“In the case of food:

“1. If any substance has been mixed and packed with it so as to reduce or lower or injuriously affect its quality or strength.

“2. If any substance has been substituted wholly or in part for the article.

“3. If any valuable constituent of the article has been wholly or in part abstracted.

“4. If it be mixed, colored, powdered, coated or stained in a manner whereby damage or inferiority is concealed.

“5. If it contain any added poisonous or other added deleterious ingredient which may render such article injurious to health: Provided, That when in the preparation of food products for shipment they are preserved by an external application applied in such manner that the preservative is necessarily removed mechanically, or by maceration in water, or otherwise, and directions for the removal of said preservative shall be printed on the covering or the package, the provisions of this act shall be construed as applying only when said products are ready for consumption.

“6. If it consists in whole or in part of a filthy, decomposed or putrid animal or vegetable substance or any portion of an animal unfit for food, whether manufactured or not, or if it is the product of a diseased animal or one that has died otherwise than by slaughter.

“Sec. 8. That the term ‘misbranded,’ as used herein, shall apply to all drugs or articles of food or articles which enter into the composition of food, the package or label of which shall bear any statement, design or device regarding such article or the ingredients or substances contained therein which shall be false or misleading in any particular, and to any food or drug product which is falsely branded as to the state, territory or country in which it is manufactured or produced.

"That for the purposes of this act an article shall also be deemed to be misbranded:

"In case of drugs:

"1. If it be an imitation of or offered for sale under the name of another article.

"2. If the contents of the package as originally put up shall have been removed, in whole or in part, and other contents shall have been placed in such package, or if the package fail to bear a statement on the label of the quantity or proportion of any alcohol, morphine, opium, cocaine, heroin, alpha or beta eucaine, chloroform, cannabis indica, chloral hydrate or acetanilide or any derivative or preparation of any such substances contained therein.

"In the case of food:

"1. If it be an imitation of or offered for sale under the distinctive name of another article.

"2. If it be labeled or branded so as to deceive or mislead the purchaser or purport to be a foreign product when not so, or if the contents of the package as originally put up shall have been removed in whole or in part and other contents shall have been placed in such package, or if it fail to bear a statement on the label of the quantity or proportion of any morphine, opium, cocaine, heroin, alpha or beta eucaine, chloroform, cannabis indica, chloral hydrate or acetanilide or any derivative or preparation of any such substances contained therein.

"3. If in package form, and the contents are stated in terms of weight or measure, they are not plainly and correctly stated on the outside of the package.

"4. If the package containing it or its label shall bear any statement, design or device regarding the ingredients or the substances contained therein, which statement, design or device shall be false or misleading in any particular: Provided, That an article of food which does not contain any added poisonous or deleterious ingredients shall not be deemed to be adulterated or misbranded in the following cases:

"1. In the case of mixtures or compounds which may be now or from time to time hereafter known as articles of food, under their own distinctive names, and not an imitation of or offered for sale under the distinctive name of another article, if the name be accompanied on the same label or brand with a statement of the place where said article has been manufactured or produced.

"2. In the case of articles labeled, branded or tagged so as to plainly indicate that they are compounds, imitations or blends, and the word 'compound,' 'imitation' or 'blend,' as the case may be, is plainly stated on the package in which it is offered for sale: Provided, That the term 'blend' as used herein shall be construed

to mean a mixture of like substances, not excluding harmless coloring or flavoring ingredients used for the purpose of coloring and flavoring only: And provided further, That nothing in this act shall be construed as requiring or compelling proprietors or manufacturers of proprietary foods which contain no unwholesome added ingredient to disclose their trade formulas, except in so far as the provisions of this act may require to secure freedom from adulteration or misbranding."

Section 9 provides that no dealer shall be prosecuted under the act when he can produce a guaranty signed by the wholesaler, manufacturer or other party that the articles in question are not misbranded or adulterated.

Section 10 makes any article of food, drug or liquor that is adulterated or misbranded liable to be proceeded against in any District court of the United States and seized for confiscation by a process of libel for condemnation.

Section 11 provides that if after examination it shall appear that any article of food or drug that is misbranded or adulterated or is dangerous to health is offered to be imported into the United States, such article shall be refused admission.

Section 12 provides that the term "territory" as used in the act shall include the insular possessions of the United States and that the word "person" shall be construed to include corporations, companies, societies and associations. The acts of agents shall in every case be considered the acts of the employing persons.

The law, according to the last section (13), goes into effect Jan. 1, 1907.



## CHAPTER XXIII

### THE ANTI-TRUST WAVE.

*Governmental Supervision to Keep Apace with Industrial Development Demanded—The Cry for Reform in Business Ethics—"Big Money" Must not be Allowed to Control the Law—Right Living and Right Thinking the Basis of Material Prosperity—Our Government Must Stand for Every Man, Rich or Poor Alike—If He Does No Wrong, He Shall Suffer No Wrong.*

IF THE foregoing epitome suggests anything to the reader of American history, whether he be capitalist or laborer or middleman, it should be the conclusion that the American public is aroused today over the aggression of trusts, the abuse of the monopoly power, as never before. Three times in the history of the industrial combination age of the nation anti-trust waves have swept over the country. Each time the name of Rockefeller has been prominent in the agitation. Back in 1872 the first crusade of importance was begun. Then the cry for the "square deal" was heard in a different degree; the slogan was missing and the leader of the great movement for industrial freedom of today was but a boy. In that fight against the abusive power of monopoly the battle was waged around what is now the Standard Oil banner, although there were other phases of the struggle. To recount some of this history is not amiss, for it may reflect some of the causes of the present war.

In 1872 independent oil producers of Pennsylvania were threatened with annihilation through the formation of the gigantic combination in which the young Standard Oil Company was a leading spirit. This combination was the South Improvement Company. It had secured contracts with the principal railway trunk lines leading into the oil country, by the terms of which it was to get a rebate on the freight for the oil which it shipped and a drawback of the same amount on all oil shipped by its competitors. When the independent oil men understood the full import of this first wedge of the oil monopoly into their business, a storm broke, the fury of which was not slacked until the combination was disrupted, the contracts with the railways annulled and the arrogance of the Oil Trust was held in check for a time. This outburst of popular wrath, together with the great "granger movement"—the legislation against railway aggression in the middle western states—left its imprint most

effectively through the passage of the "granger" laws, which for the first time in history brought the railways under the supervision of state governments.

In 1887 another epidemic against trust aggrandizement was prevalent. In that year the Interstate Commerce law was passed, by which business transaction made between two or more states of the Union was brought under the jurisdiction of the federal government. During the year following the Oil Trust was submitted to inquisitorial proceedings by the New York Senate and the national Congress. The effects of this tumult was to stun the whole public. The nation was dazed at the phenomenal power and greed of the Standard Oil Trust and the unflinching certainty of ruin on the part of every person who tried to compete with it. At the moment the effect in law was not remarkable, but in 1890 the Sherman Anti-Trust Law was passed, prohibiting combinations in restraint of trade, and two years later the attorney-general of Ohio proceeded in the Ohio courts, which resulted in driving the Standard Oil Trust from its native state and forced it to fly to the wide, hospitable asylum of the New Jersey corporation laws.

While, as has been stated in the foregoing, the great 1905 crusade for square dealing really started when President Roosevelt determined to intercede in the horrible war to the death in the great Pennsylvania anthracite coal strike of 1902, in his order of that year to prosecute the Beef Trust and the Northern Securities Company—or railway merger—under the Sherman Anti-Trust law, the fruits of this man's efforts were not seen for some time. It was during 1902 that Congress went quietly to work to feel the national pulse in the matter of monopoly and trust abuses. The Fifty-seventh Congress, 1902-1903, passed four bills aimed directly at the trusts, which, of course, were promptly signed by President Roosevelt. The first was for an appropriation of \$500,000 to be drawn upon by the Attorney-General of the United States to defray expenses incurred in prosecuting illegal combinations of capital like the Beef Trust and Railway Merger. This was the first anti-trust legislation in nearly ten years.

The second movement was a bill in the interest of President Roosevelt's idea of "publicity" on which he had dwelt in messages to Congress and speeches throughout the country. This bill, when it became a law, created the Bureau of Corporations in the newly established Department of Commerce and Labor, thus placing directly at the disposal of the President, through a member of his cabinet, a power which should investigate all trusts, monopolies, combinations, etc., prepare statistics of trade conditions and report to Congress results and conclusions. It was under this bureau, the first chief of which was Com-

missioner James R. Garfield, son of the martyred President, that the investigations and prosecutions of the trusts which made 1905 famous were conducted.

The third trust bill was the Elkins Act, which professed to aid the Interstate Commerce Commission in dealing with the railroads and other common carriers that gave illegal rebates on freight rates. In reality the effect of the law has been nil, and it has been charged that the Senate devised the law in behalf of the railway interests in order to dodge the penalties of existing statutes. This act struck out the provision for punishment for violation of the law by imprisonment as well as by fine. The maximum fine of \$20,000 fixed by this law has not yet been sufficient to prevent large railways from breaking the laws by granting unfair privileges to favored shippers.

The fourth bill was designed to aid the public in its fight for the "square deal" and provided measures for curbing illegal monopolies by removing such cases pending in the Circuit Courts to a hearing before a bench composed of three judges and by carrying appeals from the Circuit Court directly to the Supreme Court of the United States. This "short cut" through the courts was used in the case of the government against the Coal Trust when the right of the Interstate Commerce Commission to compel witnesses to produce contracts and private accounts was questioned.

These four bills are the latest anti-trust legislation enacted. Early in 1905 the House of Representatives passed by an almost unanimous vote the Esch-Townsend bill, favored by President Roosevelt, providing for the regulation of railway rates. But the Senate did not concur and a long investigation of railway conditions followed.

Up to the enactment of these laws actual results from the anti-trust wave had been few and had been restricted to suits in the courts and injunctions in a few cases against trusts, the chief of which was in the Beef Trust case in Chicago before Judge Grosscup. In 1903, however, the United States Circuit Court of Minnesota declared the Northern Securities Company an illegal combination. Shortly after this the Missouri Supreme Court found the principal packers in the Beef Trust guilty under the anti-trust law and fined five of them \$5,000 each. After this followed thick and fast investigations of the Coal Trust, Standard Oil and several gas monopolies in various states, the enunciation of the doctrine of the "square deal," the Kansas blow to Standard Oil, which resulted from the announcement that that trust would buy no more oil in Kansas, the far-reaching reports and recommendations of Commissioner Garfield and Secretary Metcalf looking to federal control of interstate commerce companies and the hue and cry against John D. Rockefeller's "tainted money."



What the results of this anti-trust movement will be are doubtful. There are two distinct views of the problem: One is that monopoly is essentially wrong and that the trusts which have this monopoly or partial monopoly must be rooted out of existence to make room for a return of the old conditions where the business of the country was conducted by myriads of small traders, small partnership concerns, small corporations, small railways; where small communities were the rule rather than large cities; where the farmer did work "on shares" instead of owning thousands of acres of lands; where the ranchman had but a few head of cattle instead of hundreds and thousands of herds.

The other view is that evolution has changed conditions so materially that monopoly is here to stay; that economic methods demand greater and greater combinations both of industrial concerns and of railway corporations; that banking today must be done on the same scale with the enormous growth of wealth; that to return to the condition where the smaller trader ruled would be as unprogressive as going back to the use of the stagecoach instead of the railway, the pony post instead of the postoffice department, the hand seeder instead of the gang plow and drill, the cradle scythe instead of the steam mower, reaper and binder, the sail boat instead of the ocean greyhound.

Standard Oil recently put up the pitiful plea that "slavery in certain sections of the United States was legal until President Lincoln's Proclamation of Emancipation and rebates on railroads were just as legal until the passage of the Interstate Commerce Act." The implication found here, that slavery was not wrong until it was declared illegal, indicates a peculiar moral standard which would make assault, rapine, theft, burglary and even murder innocent if there were no legal code.

Under the scheme of business ethics as thus defined, the captain of industry could dare to do in his office what he never would think of doing in his home. Under this code, if there were no law, common or statutory, in existence, it would be right for one man to bargain with railroads not only to serve him at a much lower charge than his rivals in business, but to pay over to him the excess collected from those rivals. Under this code the trust manager or "big business" man would be justified in using any available device or practice to annihilate his rival in business and get possession of all his property. Distinctly Standard Oil sets up the new motto "Everything that does not incur punishment for crime is good morals in business."

Here seems to be the gist of the whole fight against monopoly and trust aggrandizement. If the law does not prohibit an act, apparently it is not a wrong. If "big money" is big enough to control the law, as has been shown time and again in legislative bribery, the vicious business ethics suggested in this new motto will be the law of conduct.

President Roosevelt enunciated principles which now are working to overcome such bad business morals when he said, "Neither this people nor any other free people will permanently tolerate the use of the vast power conferred by vast wealth—and especially by wealth in its corporate form—without lodging somewhere in the government the still higher power of seeing that this power is used for and not against the interests of the people as a whole.

"The principles which Lincoln applied to the solution of the problems of his day are those which we must apply if we expect successfully to solve the different problems of our own day—problems which are so largely industrial. Exactly as it is impossible to develop a high morality unless we have as a foundation those qualities which give at least a certain minimum of material prosperity, so it is impossible permanently to keep material prosperity unless there is back of it a basis of right living and right thinking.

"In the last analysis, of course, the dominant factor in obtaining this good conduct must be the individual character of the average citizen. If there is not this condition of individual character in the average citizenship of the country all effort to supply its place by the wisest legislation and administration will in the end prove futile. But, given this average of individual character, then wise laws and the honest administration of the laws can do much to supplement it. If either the business world or the world of labor loses its head, then it has lost something which cannot be made good by any governmental effort. Our faith in the future of the republic is firm, because we believe that, on the whole and in the long run, our people think clearly and act rightly.

"Unquestionably, however, the great development of industrialism means that there must be an increase in the supervision exercised by the government over business enterprises. The supervision should not take the form of violent and ill-advised interference; and assuredly there is danger lest it take such form if the business leaders of the business community confine themselves to trying to thwart the effort at regulation instead of guiding it aright.

"Meanwhile the men in public life and the men who direct the great business interests of the country should work not in antagonism but in harmony toward this given end. In entering a field where the progress must of necessity be so largely experimental it is essential that the effort to make progress should be tentative and cautious.

"We must grow by evolution, not by revolution. There must be no hurry, but there must also be no halt and those who are anxious that there should be no sudden and violent changes must remember that precisely these sudden

and violent changes will be rendered likely if we refuse to make the needed changes in cautious and moderate manner.

“At the present moment the greatest need is for an increase in the power of the national government to keep the great highways of commerce open alike to all on reasonable and equitable terms. Less than a century ago these highways were still, as they had been since the dawn of history, either waterways, natural or artificial, or else ordinary roads for wheel vehicles drawn by animal power. The railroad, which was utterly unknown when our government was formed and when the great principles of our jurisprudence were laid down, has now become almost everywhere the most important, and, in many large regions, the only form of highway for commerce. The man who controls its use cannot be permitted to control it in his own interest alone.

“It is not only just, but it is in the interest of the public, that this man should receive the amplest payment for the masterful business capacity which enables him to benefit himself while benefiting the public; but in return he must himself recognize his duty to the public. He will not and cannot do this if our laws are so defective that in the sharp competition of the business world the conscientious man is put at a disadvantage by his less scrupulous fellows.

“It is in the interest of the conscientious and public spirited railroad man that there should be such governmental supervision of the railway traffic of the country as to require from his less scrupulous competitors, and from unscrupulous big shippers as well, that heed to the public welfare which he himself would willingly give and which is of vital consequence to the small shipper.

“In some such body as the Interstate Commerce Commission there must be lodged in effective shape the power to see that every shipper who uses the railroads and every man who owns or manages a railroad shall on the one hand be given justice and on the other hand be required to do justice.

“Justice, so far as it is humanly possible to give and to get justice, is the foundation of our government. We are not trying to strike down the rich man; on the contrary, we will not tolerate any attacks upon his rights. We are not trying to give an improper advantage to the poor man because he is poor, to the man of small means because he has not larger means; but we are striving to see that the man with small means has exactly as good a chance, so far as we can obtain it for him, as the man of larger means; that there shall be equality for the one as for the other.

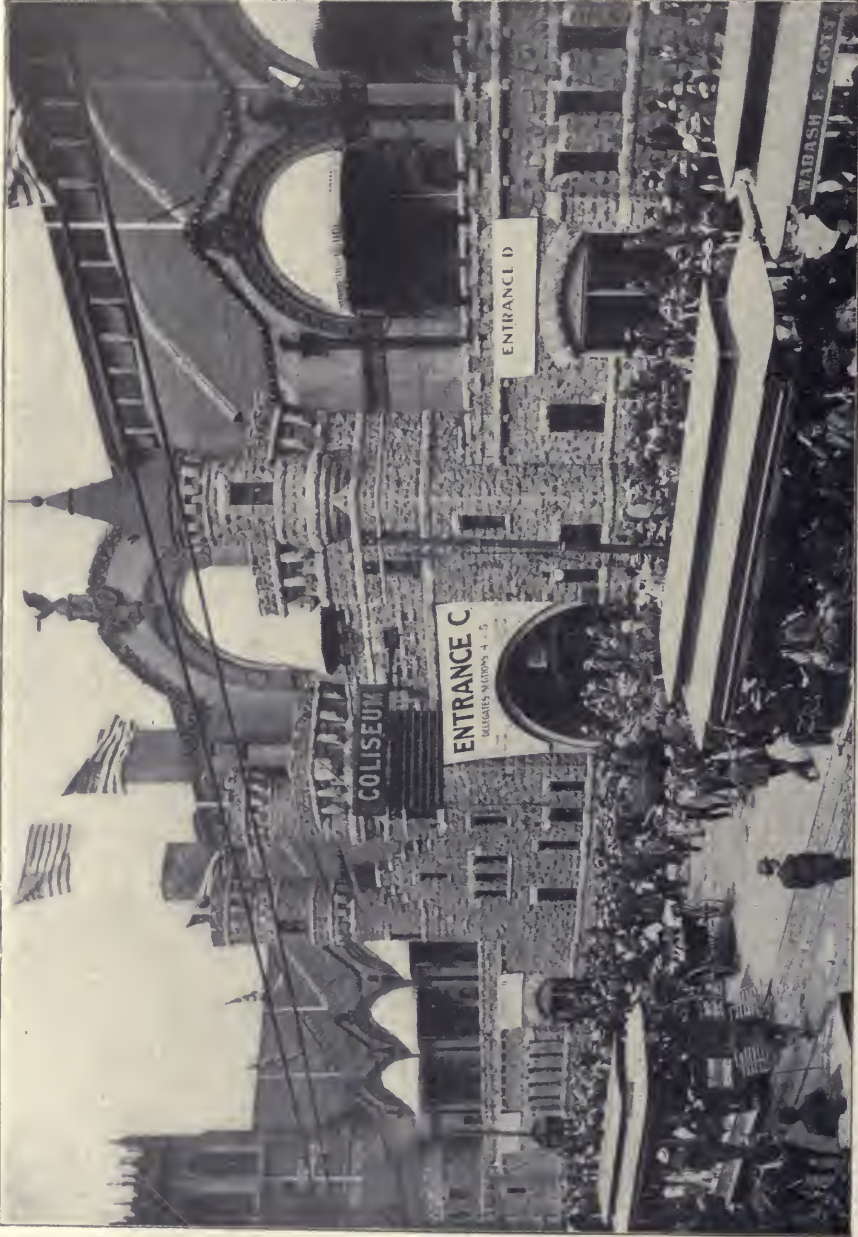
“We do not intend that this republic shall ever fail as those republics of olden times failed, in which there finally came to be a government by classes, which resulted either in the poor plundering the rich or in the rich exploiting,



and in one form or another enslaving, the poor, for either event means the destruction of free institutions and of individual liberty. Ours is not a government which recognizes classes. It is based upon the recognition of the individual. We are not for the poor man as such, nor for the rich man as such. We are for every man, rich or poor, provided he acts justly and fairly by his fellow, and if he so acts, the government must do all it can to see that, inasmuch as he does no wrong, so he shall suffer no wrong."



REPUBLICAN NATIONAL CONVENTION IN SESSION



EXTERIOR VIEW OF THE COLISEUM AT CHICAGO.





**JOHN DAVISON ROCKEFELLER.**

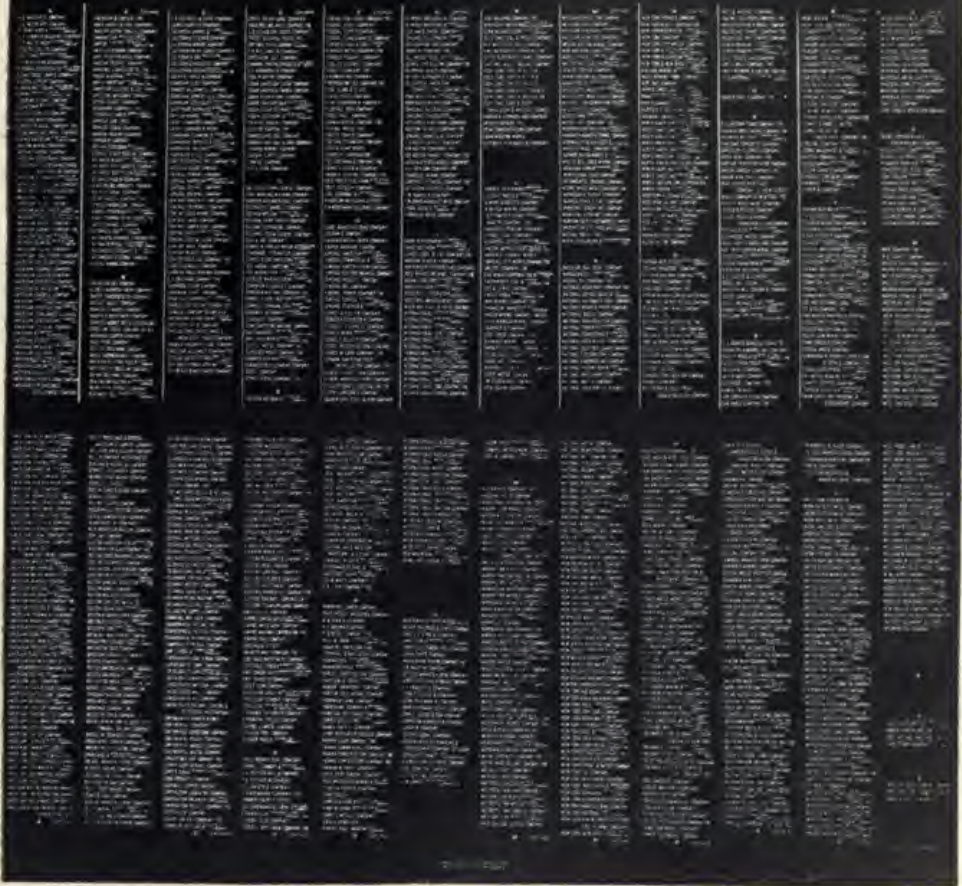
This is a late portrait of Mr. Rockefeller and it is said that it was the first sitting he had given a photographer in forty years.



**MEMBERS OF THE KANSAS LEGISLATURE WHO "KICKED STANDARD OIL" FROM THEIR STATE.**

This is a remarkable photograph of the 1905 House of Representatives of the Sunflower state, which so vigorously handled the Standard Oil Co. in its endeavor to create a monopoly of the petroleum production of that state. This is probably the first time that the Rockefeller interests publicly met with defeat. The state intends to conduct its own oil refineries, an example that may be followed with profit by other states.

THE CORPORATION TRUST COMPANY OF NEW JERSEY  
PRINCIPAL OFFICE OF



**"THE HOME OF THE TRUSTS."**

This is a photographic reproduction of the name-plate in the office building occupied by "The Corporation Trust Company of New Jersey," at Trenton, the capital of the state. This company claims more than 1,200 "principal offices" of corporations of other states and with a capitalization of close to four billion dollars. Stockholders meetings must be held within the state—hence all these offices. When you consider that the state chartered nearly 10,000 corporations between 1896 and 1902, you can imagine why the claim is made that New Jersey is selling out the rest of us.

Almost the entire history of the organizing of great corporations is one of commercial and political corruption. The state of New Jersey issues charters to the trusts. The laws of the state are so framed that the citizens pay no state tax, directly. The income derived from the corporations more than pays the expenses of the state government. Mr. Lincoln Steffens, of the editorial staff of McClure's Magazine—who has been investigating commercial and financial problems—terms New Jersey as "a traitor state," and adds: "Jersey shows, plainer than any other state or city, how we are all betraying one another, and that what we Americans lack is representative government—not good government, not privileges, not advantages over one another, but FAIR PLAY all around, and before the law, equality."





**WILLIAM ROCKEFELLER,**  
Of the Standard Oil Company



**HENRY H. ROGERS,**  
Of Standard Oil "system" fame.



**JAMES STILLMAN,**  
President National City Bank, New York.



**GEORGE W. PERKINS,**  
The able partner of J. Pierpont Morgan.



**THOMAS W. LAWSON,**

Of Amalgamated Copper fame, and whose articles on "Frenzied Finance" have created world-wide interest.



**REV. DR. WASHINGTON GLADDEN,**

Noted lecturer on Municipal Reform and who objected to the Rockefeller gift to the Congregational Church for foreign missions, referring to it as "tainted money."



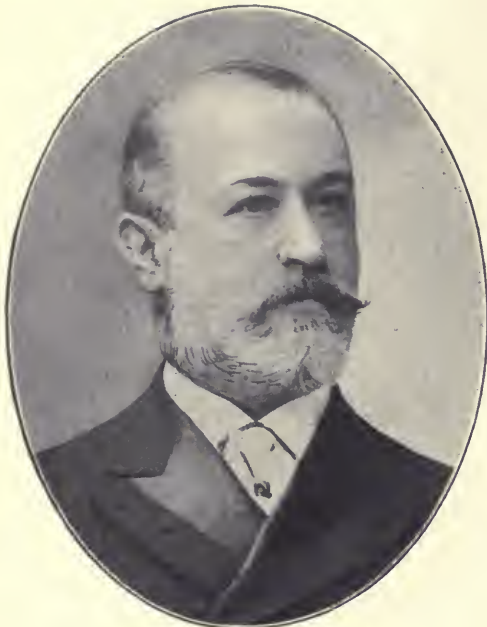
**STEPHEN GIRARD,**

Founder of Girard College, Philadelphia. In 1814 when the government failed to secure a \$5,000,000 loan, Girard came to the front and subscribed for the whole amount. He drew his own will, covering 36 large printed pages, when 81 years old.



**ANDREW CARNEGIE.**

He started to work when 11 years old, earning \$1.20 per week, and is now believed to have over \$200,000,000.00 apart from the more than \$1,00,000,000.00 he has given away.



**JACOB H. SCHIFF,**

Of Kuhn, Loeb & Co., one of the largest private banking institutions in the world.



**JAMES J. HILL,**

The western Railroad and Steamship Magnate.



**GEORGE GOULD,**

Head of the Gould Fortune.



**COL. JOHN JACOB ASTOR,**

Has, a fortune of over one hundred million dollars and is the richest land owner living in America.





**COMMODORE CORNELIUS VANDERBILT,**  
Founder of Railway and Steamship Lines and  
the Vanderbilt Fortune.



**WILLIAM WALDORF ASTOR,**  
Now a citizen of Great Britain, but the richest  
owner of United States real estate.



**WILLIAM K. VANDERBILT,**  
Present Head of the Vanderbilt Interests.



**RUSSELL SAGE,**  
The Famous Financier.



**J. OGDEN ARMOUR,**  
President of Armour & Co.



**CHARLES M. SCHWAB,**  
First President of the United States Steel Corporation.



**JAMES A. PATTEN,**  
Noted Grain Speculator.



**JOHN W. GATES,**  
Noted Grain and Stock Speculator.



**A BANQUET TO PRESIDENT ROOSEVELT.**

Business and professional men honoring our President when he visited Chicago.

The President in center, Mr. Roosevelt.





**PROGRESS AND SCIENCE BRING ALL NATIONS INTO CLOSE COMMUNICATION.**

In this advanced age we have ocean cables, wireless telegraphy, long-distance telephones, rural mail delivery, fast railroad trains, ocean greyhounds—everything that will put us in immediate and direct communication with our fellow men all over the world. It frequently happens that we know more about what is going on at a great distance than we do of what may be transpiring in our own town or among our neighbors. This illustrates the rapid age in which we live—and consequently, when we come to think of it seriously, the world seems to be growing smaller.



**CARROLL D. WRIGHT,**  
United States Commissioner of Labor.



**JOHN MITCHELL,**  
President United Mine Workers of America.



**SAMUEL GOMPERS,**  
President of the American Federation of Labor.



**FRANK P. SARGENT,**  
United States Commissioner of Immigration,  
formerly Grand Master Brotherhood  
of Locomotive Firemen.





**WHERE THE MOWERS AND REAPERS ARE MADE.**

The McCormick works, a part of the International Harvester Company, a combination which includes all of the leading manufacturers of harvesting machinery.





**INTERIOR VIEW OF THE CHICAGO CLEARING HOUSE.**

This is an especially fine flash-light photograph—the most difficult feature of the photographic art. In every large city there are "Clearing Houses," a part of the banking system that is but little understood by the layman. The idea of a clearing house is to facilitate the exchange of accounts between banks without the use of actual money. Every bank having representation is required to deposit indemnity to protect the association. Business begins at 11:30 and ceases at about 1 P. M. On the outside of the railings you will note the messengers from the various banks. The operation is simple. Each bank sends to the clearing house all checks and drafts which they hold that have been drawn on other banks belonging to the association. The clearing house certifies to the exchange of accounts between the different banks, and thus an equalization of accounts running into thousands upon thousands of dollars is made without the exchange of actual money.



PHOTO BY  
LAWRENCE  
ALLEN  
CHICAGO

**SCENE IN A GREAT BANKING HOUSE.**

The photograph shows the splendor of architecture and decoration in a large bank. Banks, though purely financial in their dealings, are, with labor, the foundation of industrial progress. There are many banks in the great commercial centers organized with cash working capital ranging anywhere from three to twenty-five millions of dollars.



## CHAPTER XXIV

### HOW MANY MILLIONS CHANGE HANDS—THE CREDIT SYSTEM.

*Small Amount of Actual Money Needed in Huge Business Transactions—Ninety Per Cent of the Business of the World Done on Credit—How Loans Are Made—The Clearing House—The Cry Against Reserve Abuses—Unjust Distribution of Property and Wealth.*

WHEN ONE considers that the wealth of the United States is about \$110,000,000,000 and that the money in the country is only a little more than one-fortieth of this amount—less than \$3,000,000,000—it seems marvelous that this amount should serve in all the business transactions of the nation. Indeed it is necessary that every inhabitant of the country do with an average of about \$31 in carrying on his business. The fineness and complexity of the financial machinery of the country is suggested further when it is considered that, with less than \$3,000,000,000 actual money in circulation, the savings deposits of the country alone amount to \$3,060,000,000 and all the bank deposits of the country amount to about \$10,000,000,000. But if the money of the country is less than one-third the actual bank deposits, let us look further and we shall see that in a year nearly the whole wealth of the country changes hands—and what with? To solve the mystery in one simple word, it is not wholly money with which the world does business but credit. Indeed more than 90 per cent of the business of the world is done on credit.

It is a usual thing to see items in the newspapers speaking of the “money market” or the rates for “money.” Former Secretary of the Treasury Lyman J. Gage coined a new phrase recently when he said this should be changed and instead we should use the term “rates for credit.” Other authorities have spoken of banks as factories—“factories of credit.” Daniel Webster said that commerce could not exist without credit; that credit was the vital air of the system and that it had done more, a thousand times, to enrich the nation than all the mines of the world. The tendency of the times is for the volume of credit transactions each year to grow more rapidly than the supply of actual money.

It is but natural to inquire how this business is carried on and it is



explained simply when it is said that the chief principle of credit is collecting many small sums which are not needed and placing them where they are most needed. When money lies idle it does no one any good. If every one carried the average amount of \$31 around in his pocket the country would stagnate in a very little time, for there would be insufficient money to make all transactions in cash and there would not be enough money piled up any place to be a basis of credit. This leads us to the second principle of credit—that there always should be a liberal amount of actual money held in reserve for emergencies. For there is a time when credit becomes strained and supplies of actual money must be at hand for immediate use.

Credit today has reached the stage where dealing in it is a fine science. In a word, the business of credit is simply that of lending the use of wealth. It is the banker's business to gather this wealth and to lend it where it will do the most good, for the owner, the banker and the borrower.

#### *How Loans Are Made.*

One of the greatest branches of banking, however, is "commercial." This is where a business man has high enough standing financially to "be good" for a certain amount. Such a man has a "rating" by which bankers and other business men know his capacity and disposition to pay. Thus some men may be in possession of a great amount of wealth, but are "poor pay," hard to collect from; while others may be "good pay"—willing to make good their debts if it takes them their whole life time, but are poor earners. Either of these classes make poor bank creditors. In the bank doing a general business the first man probably would be made to advance a mortgage or other collateral, so that the banker would not have to be put to the trouble of suing to recover the amount of the loan when it fell due. In "commercial" banking much of the business is done on simply promissory notes with no assets put up for security. Sometimes the note must have an endorser—one who will stand good for the loan if the borrower does not pay when due. Where there is no such endorsement the note is called "one name paper;" where there is one endorser it is called "two name paper," etc. In determining on the extension of credit to a prospective borrower the banker who lends on commercial paper considers the applicant in this wise:

**Honesty:** the borrower must be trustworthy beyond doubt.

**Business ability:** as honesty without business ability is useless commercially this matter must be considered.

Business experience: the banker must judge what risk there is in relying upon the ability and reputation of the borrower to do what he thinks he can do, and past history of the borrower is the guide.

Bank's previous experience: if the man who solicits the loan has failed, it almost always bars him from receiving new credit.

Condition of business: a man's present status reflects his ability and therefore is a guide.

Resources: if these are not put up as collateral security for the loan they are of small importance, though of course they help to gauge the borrower's ability.

People who do not come in touch with great financial transactions marvel at some of the methods of Wall street and other bankers. In courts of law, juries and often the judges do not understand processes that are very simple and clear to the banker. For instance, in a recent report of a hearing in bankruptcy the following statement is found: "That banks loan hundreds of thousands of dollars to customers without any other security than the good credit of the brokers desiring the loan," was the cool admission made by a witness in the hearing. It appeared from the testimony that a well known Wall Street bank had been lending a firm of stock brokers about \$100,000 every day without security and without interest. To the layman this seems a marvelous operation in finance. To Wall Street, however, there is nothing strange or startling about such a transaction. It was simply every-day business between bank and broker. In such dealings the broker agrees to keep a certain daily balance deposited with the bank. The bank in return agrees to give the broker a daily loan of a certain amount, this loan being credited to the broker's balance and upon this he can draw checks in payment of securities which he may buy during the day. The broker's account is closed and balanced each day, and each day his agreed balance must be made good. The broker gains by being able to have his checks promptly certified. The bank gains by obtaining the use of the broker's daily balance with which it can make profitable loans. Practically the bank buys the deposits of the broker by giving him certain facilities which he needs in his business. The fact that no security is required for such loans other than the firm's note is not unusual. There can be no better security ordinarily than the good name of a firm doing an active and legitimate business. The fact that no interest was required is not surprising in view of the fact that in return for these facilities the bank obtained continuous use of the broker's balance without interest.

It is but natural when one considers the size of the credit transactions of the country or the world that doubt should arise over the freedom of this business from fraud. It will be found upon examination, however, that not only in banking, but in general business, credit is extended very liberally and generally. It is estimated that in the sale of merchandise alone credit is extended by business men to the amount of \$70,000,000 and so careful are merchants in this line of business that losses average only about  $1\frac{1}{4}$  per cent.

#### *The Clearing House.*

One of the greatest factors for extending business today is the bank check method. Time was when every man saved his own money and paid in currency. As has been shown in the foregoing, such a thing would be impossible today. It is altogether probable that had not the system been invented by which money could be deposited in a bank and be drawn against by check, business would not have gone forward by the great leaps and bounds with which we are familiar. There was a time even when every checking transaction necessitated the use of money. When the check was paid, money had to be handed over by the bank unless the check was deposited back in the same institution.

Soon, however, there developed a system by which this was almost entirely done away with. This was the method called clearing. In most of the principal cities there are associations of the banks called "clearing houses." At regular intervals clerks from each bank in the association meet at the clearing house with all the checks the bank has received against other banks in the association. By an ingenious method the checks are passed around to the debit banks so that a great many will cancel each other. That is, one bank may have received checks drawn against each of three other banks, and in turn the three other banks may have received checks drawn against the first named bank. If these checks happened to be for the same amounts they would cancel each other. No money would change hands, yet the transactions in business for which the check payments were made would have been effected just as well as if actual money had been used. When many banks are members of a clearing house and the transactions are very intricate nearly every bank has to pay or receive a balance in currency because the checks will not cancel against each other. It is usually the case, however, that enormous business can be done with little money. For instance, in 1901, the New York Clearing House exchanges amounted to \$77,020,672,493 and the actual cash balances paid to transact this enormous volume of business were only \$3,315,037,741.



This means that nearly \$74,000,000,000 in one year was done without actual cash, in fact by mere credit and bookkeeping. This method is such a labor-saving device that in one day, May 10, 1901, after the celebrated Northern Pacific panic on the New York Stock Exchange, the New York Clearing House did \$598,537,490 in business with only \$23,873,115. One day in May, 1902, the Chatham Bank of New York settled exchanges amounting to \$1,323,694 with an actual cash transfer of only ten cents. An average number of checks passed daily through the New York Clearing House is about 500,000. That it would be impossible to carry on modern business now without the machinery of the clearing house system is an undisputed fact.

It seems probable that the present banking system is here to stay, for business in the use of checks and clearings is increasing everywhere. In the year 1904 the clearings of the London Clearing House increased more than \$2,000,000,000 over the year 1903. This was due principally, according to competent authorities, because the public has recognized the greater safety and facility afforded by the banks for people of even small means. In New York the bank exchanges from 1900 to 1904 increased \$16,000,000,000.

#### *National Banking System.*

The National Banking System of the United States is one of the great cogs in the credit machinery of the country. It is based on the old principle of using idle funds where they will do the most good in business. It is comparatively easy to organize a national bank, any set of men having \$25,000 capital being able to start one in a town of not more than 3,000 inhabitants. Where there are not more than 6,000 inhabitants \$50,000 capital is needed; 50,000 inhabitants need \$100,000 and over that \$200,000 or more may be used as capital. Permission is granted by the government on application of five individuals, corporations or firms or associations not being eligible. One-half of the proposed capital stock must be paid in in cash before the government will issue a certificate of organization. Promissory notes will not do. As soon as the certificate is issued preparation must be made to pay in the rest of the capital, this balance being due in not more than five installments of 10 per cent each, one at the end of each thirty days after grant of authority to begin business is issued.

Every national bank must keep on deposit with the United States treasurer interest-bearing government bonds to protect depositors. The necessary amount of bonds of a bank of \$150,000 capital or less is one-fourth of the amount of the capital, while for capital over that amount the minimum is \$50,000. It

is necessary that at least three-fourths of the directors of the bank shall reside in the state or territory where the bank is located. Any stockholder who is a citizen of the United States owning ten shares or more of stock is eligible as a director, provided the stock is not incumbered.

One of the chief privileges of a national bank is to receive deposits of the government funds not held in Washington and to issue bank circulation or bank notes. Both the privileges are safeguarded by deposits of government or other approved bonds with the government at Washington. Every national bank may issue circulation to the amount of its paid-in capital. The amount of bonds to secure this circulation (and these bonds must be United States Government bonds) must be equal to the face value of the amount of notes issued. This deposit of bonds is in order to insure payment of the notes on demand. If a bank fails to redeem any, the Comptroller of Currency is empowered to appoint a receiver to sell the bonds and redeem the bank's outstanding circulation. A national bank note is not legal tender, is not receivable for customs duties, is not good tender for payment of interest on the national debt and is not counted in the reserve of a national bank. Otherwise national bank notes serve as ordinary money. The profit in a national bank issuing bank circulation is in the difference between the amount of interest it can earn by lending this money out in the credit market and the cost of the bonds, interest, etc. The same holds true in banks having on deposit, secured by government or approved bonds, funds of the nation. The reason that the government has money in the national banks at all is that it is not good to horde money in the Treasury at Washington. Money is made for use among the people and the banks are the most serviceable agents in getting this money back into circulation. Banks that put up bonds and secure such government funds are called Government Depositories.

One of the principal regulations of the national banking act is that provision by which a reserve fund shall be kept on hand in order to protect depositors who need to draw out their money. It is of course, as has been pointed out, the province of a bank to collect deposits and to lend them. It has been found that of the millions of money changing hands much of it is in credit and not actual money, yet all these transactions are done in the faith that the money is there if needed. It is also found that the amount necessary to safeguard the depositors, save in times of panic, is very small.

The law provides that in the country banks a reserve of only 15 per cent must be held, and only two-fifths of this need be kept in their own vaults, the remainder being privileged to go to banks in a Reserve City or a Central

Reserve City. Central Reserve Banks must keep 25 per cent of the net deposits on hand in their own vaults. Reserve Banks must have 25 per cent in reserve but they have the privilege of depositing one-half of this with a bank in a Central Reserve City. The Central Reserve Cities are Chicago, New York and St. Louis. The Reserve Cities are: Albany, Baltimore, Brooklyn, Boston, Cincinnati, Cleveland, Columbus, Dallas, Des Moines, Denver, Detroit, Dubuque, Houston, Indianapolis, Kansas City, Kan.; Kansas City, Mo., Lincoln, Los Angeles, Louisville, Milwaukee, Minneapolis, New Orleans, Omaha, Philadelphia, Pittsburg, Portland, St. Joseph, St. Paul, San Francisco, Savannah and Washington.

### *Cry Against Reserve Abuses.*

The national banking system often is not understood because of some of its complexities. There has been a good deal of criticism against it by malevolent persons who have charged that the government should not favor the national banks. It remains a fact, however, that very little money is lost through the failure of national banks, either through swindle or through bad business judgment. A system of handling the great credits is necessary and as yet the lawmakers of the country have devised no better method.

One thing against which critics have railed most is the "pyramiding" of reserves. We have seen how a country national bank may lend all but 15 per cent of its deposits. Even three-fifths of this can go to an approved agent in a Reserve City. Now the bank in the Reserve City may lend out the greater part of this reserve of the country bank, because it itself, needs to keep only 25 per cent reserve on all deposits of all and even half of this may be sent to a Central Reserve bank. What is the result? Wall Street banks, being the largest and most powerful and in the most influential of the Central Reserve Cities, attract balances from almost every bank in the country. It is often necessary for banks in other cities to do business with New York and therefore it is easier to have money on deposit there. The huge banks of Wall Street constantly offer inducements to banks of interior cities to deposit with them. Under the reserve provision of the National Banking Act it will be seen that reserves, supposed to be held intact to support deposits, drift to the Reserve or Central Reserve Cities and are loaned out to within a very small portion of the original percentage. Critics of the system say that while the money withheld for reserves is kept out of local circulation, the method of permitting banks to deposit portions of the reserve with banks of other cities



serves to give Wall Street the benefit of millions of dollars to lend out which really are supposed to be held as reserves. To show how this works it may be said that in the year 1904 the lawful money reserves of all the national banks of the country increased \$55,000,000. The gain in lawful money reserves of the national banks of New York City during the same time was \$24,000,000. To bring it down to a more centralized comparison, the gain in lawful money reserves of the four great national banks of New York—the National City, the National Bank of Commerce, the First National and the Chase National banks—in the same period was \$20,600,000. Thus 85 per cent of the gain of reserves of New York City and 38 per cent of the entire cash gain of all the national banks of the United States were by these four banks. As yet no serious accident has resulted from this concentration of national banking reserves in New York to be lent out for the benefit of big financiers, for it has been found that, except where fright occurs, a very small amount of reserve is necessary. It is generally the case that if money is needed badly in one place it can be drawn readily from the bank where the reserve has been deposited. It is only where many people and many communities are disturbed at one time that withdrawals are general. Then withdrawals may strain credit so that sometimes panics ensue.

“Money in circulation was below \$14 per head of 35,000,000 population at the close of the civil war, in 1865, but is now over \$30 per head of 80,000,000 population. *The natural flow of so great an increase should have furnished the only source of supply to the money market.* These malign permissions thus *by indirection* override natural demand and supply and constitute a preference in law for the use of money and credits based thereon. No law could be enacted to *directly* accomplish this end. Wall Street gets the lion’s share and by this means has the country at its mercy, through capitalistic juggles. Hundreds of millions of dollars of loans,—not in national banks only,—have grown from the reserve *there* disbursed, and without which the great “watered” capitalizations could not have been “floated,” which oftentimes tax the very necessities of life, to earn dividends on the “water.”

“Artificial persons (corporations) or those who control them have thus preyed upon the people by methods which natural persons, however numerous associated, can never collectively exercise, and made the creator secondary and tributary to the creature. The permissions have converted the plain demand of the law to its very opposite, and instead of the reserve being faithfully held for the only justifiable purpose of law in compelling the money to be with-

held from local public use, viz.: *to protect depositors*, they are made a tender for speculative money supply, and basis for illegitimate ventures. Money is the life blood of all undertakings, and the measure of all values. Labor, industry, and property are all gauged thereby. It should therefore circulate without favor or impediment of law.

“President Roosevelt advocates ‘a square deal for every man, no less, no more.’ How is a square deal possible under these permissions of law? Again he says, ‘Ours is not a government which recognizes classes.’ That in a sense is true, but had he said, ‘Ours is not a government which *creates* classes,’ it would not be true. This great monetary discrimination *creates* an un-American favored class, and provides for the already rich a special path to greater fortunes. Means, opportunity and incitement, have been thereby provided for people of small means to risk their all on narrow margins, and for the already rich to exploit the great industries and products of the country by trusts, combines, corners, and false capitalizations, for their further enrichment.

“*National law which thus enables unjust distribution of money, thereby enables unjust distribution of property and wealth.* If the reserves now withheld are too great to be everywhere kept *intact* in money for security of depositors, let the required percentage be reduced. Rich indeed is our country, and great its seeming prosperity. But multi-millionaires, and their colossal fortunes acquired as by a magician’s wand, attest unjust law to be their foundation. Belief in the goodness and Fatherhood of God forbids the idea that He creates men with such disparity of brains.

“In vain will righteousness and justice between man and man be inculcated, so long as this root of *unrighteousness* and *injustice* imbedded in law, continues to widen disparities and ripen its fruits of prodigal wealth and luxury on the one hand and hardening conditions of living and progress in the world on the other. Substantial repeal of the permissions was recommended by Comptroller Dawes in his annual report December, 1900, to Congress, in which he discussed the danger, which had made itself apparent years before, of continuing the practice. Even a gradual repeal, first making it apply only to Philadelphia and Boston banks, would probably distress Wall Street. But there is a consideration more important to the people of this country than regard for stimulated Wall Street prosperity, viz.: Equal laws, and public justice. Without these. liberty itself will fail.”

## CHAPTER XXV

### PERILS THREATENED BY THE MONEY TRUST—THE DANGER OF BANK CONCENTRATION.

*Nearing the Parting of the Ways in the Field of Modern Banking—A System of Federation or Brotherly Alliance a Probability of the Future—Fears that Aggregation of Capital May Become More Powerful than the Government Itself.*

IT is generally believed at the present time that the world, and especially the United States, confronts a great change in banking. The banking system of the United States is based on the principles of liberty and independence. Practically any one in this country can establish a bank, either under the national or state law, provided he has sufficient capital and can comply with the other necessary but moderate requirements of the laws.

As a result of this free system there are nearly 14,000 banks in the country. But the independent banks, like the small trader in competition with the industrial "trusts," have learned that their stability and business are best promoted by co-operation, and hence there has developed a large measure of federation between them. The organization of clearing-houses and of banking associations throughout the country for the purpose of facilitating business transactions, and notably the issuing of loan certificates by associated banks to help out feeble brother institutions in time of panic, have all been measures of alliance for protection of the small banks.

Developments which have resulted in such marvelous concentration as that seen in New York City under the lead of the "Standard Oil" or National City Bank suggest to many observers that in the not far-distant future there will be only a few giant banking institutions in the leading cities, with branches scattered all over the country. Others believe that fraternal federation will result in the establishment of an immense central government bank of reserves, similar to the Bank of England, to which all the other banks of the United States will be subordinate.

If this is true, then we are near the parting of the ways in the field of modern banking. On the one side there is independence—so loved by all



partisans of square dealing; on the other, concentration. On the one side there is a system of federation or brotherly alliance; on the other there is dangerous monopoly.

It is plain that each system has its advantages and its evils; its points of strength and its elements of weakness. Carried up to a certain point concentration may be economical and advantageous to the whole country. It is to be desired that interest rates shall not be so high when money is needed by the farmer or planter to move his crops or for the merchant or manufacturer to carry on his business, that commerce shall suffer by monopoly power.

Doubtless it would be dangerous to put the money market of the country in the hands of a few bankers for good and all. On the other hand, in modern and improved business, it is plain that it is unwise to diffuse the power of making interest rates among thousands of bankers, so that the borrower of money in Texas may have to pay as high as 10 per cent, as has been the case some years, while New Yorkers could get loans for 2 or 3 per cent. The chief danger at present is that the tendency towards concentration will be carried too far and that it will put the credits of the country too largely under the control of men more concerned in the operations of the stock market and Wall Street than in the legitimate commerce of the country.

Not only is the government exercising a jealous care over this tendency toward absolutism in the "Money Trust," but all fair-minded writers and financial critics are pointing to the danger, not of the mere growth of big banks in proportion to the expansion of the wealth of the United States, which is healthy and to be expected, but of bringing about a condition where the "money kings" will actually be what some people think them to be already, actually all powerful.

Bigness alone does not mean that the banking methods of today are dangerous. Bigness, in fact is one of the developments of the age. Not only in the United States, but elsewhere, there are powerful groups of great banks that are rapidly absorbing each other. The Deutsche Bank of Berlin, for instance, heads a group of banks with \$205,000,000 capital, and there is another group in that city with \$81,000,000 capital.

In other countries there are similar institutions and groups of powerful banks whose very growth speaks an apparent necessity for expansion in the growth of general industrial conditions. More and more, as great corporations arise, the old style, conservative, "commercial" banking gives way to "financial" banking, and herein lies one of the gravest dangers in the banking concentration of recent history. The day when the smaller merchant or trader bor-

rows on his promissory note the money needed in his business is not wholly passed. Indeed the greatest corporations still have access to the commercial paper market. But obviously, with the growth of the "trusts," borrowed money comes largely from gigantic bond issues and new capital from "watered," or possibly "unwatered," stock issues.

The banker who heretofore has done a "commercial" business—that is, lends money to merchants, rather than backs corporations by underwriting the securities or lending on them—is the banker upon whom the commercial community depends for aid in the usual walks of business life. It is not intended here to imply that banks throwing the weight of their prestige and resources into the field of speculation, promotion and investment do not perform their just and valuable functions. Many a railway would not have been built had not banking interests come to the aid of promoters.

The distinction, however, between "commercial" and "financial" banking must be sharply defined. For instance, let it be assumed that marginal speculation in stocks is to continue and to be aided by our banking institutions. One of the principal assets of the banks in time of money panics, when the mercantile and commercial houses of the country are in need of assistance from the banks in order to keep business and prosperity alive, is found to be a mass of securities. Unencumbered and valuable as they are supposed to be for redemption into ready money with which to meet crying demands, actual practice proves they are of little ready service.

A page taken from recent financial history shows that when a money pinch came on in the fall of 1902, banks were largely loaded up with security collateral. When business of the country suffered from enormous liquidation the banks in almost no degree took their stocks to market in order to free capital for other commercial needs. Loans out on security collateral were called in and the owners had to sell their stocks in a declining market in order to meet their loans. But the banks rather than cause further panic by adding their holdings to those in process of liquidation, bought more in time of financial peril, thus still further tightening money supplies and adding to the weight of liquidation upon the country. Indeed in the last thirty years the banks have increased their holdings of securities from a modest amount to about \$500,000,000.

We have seen what the tendency is among members of the Money Trust to work together. This affiliation through the quest for dollars in "high financial" operations has developed, as is shown later in this volume, at a class spirit that makes even competing money interests fight side by side when opposed by a

common foe. So great are the profits along the line of risky promotion and speculative financiering that frequently they have tempted bankers from the path of virtue even as viewed in the light of "high financial" ethics. Frequently, therefore, we find the tendency for a development of banking methods which in themselves impair the old fashioned moral code of "Honesty is the best policy." It is not beside the point to say that the bank president whose business it is to be a frequent member of speculative syndicates is tempted to turn a quickly and easy, though doubtfully honest, dollar by using his wards' deposits for the purpose of personal speculation. Of course this amounts to nothing by barefaced speculation. Still, small as the hazard of modern banking is in this direction, the danger in some measure can be laid to the door of "high finance" banking.

What the outcome of both expansion and the tendency to embark further on the sea of "financial" banking (and the former is due largely to the latter) is not clear. It appears quite logical, however, that a day must come when the banks whose business it is largely to serve the Wall Street speculative and underwriting constituency must be equipped with resources specially adapted to this sort of business, leaving "commercial" banks to their particular field.

The Wall Street Journal, a paper published in the interests of the capitalists in the heart of the country's financial center, points out these dangers in this manner:

"What is taking place is a concentration of banking that is not merely a normal growth, but a concentration that comes from combination, consolidation and other methods employed to secure monopolistic power. Not only this, but this concentration has not been along the lines of commercial banking. The great banks of concentration are in close alliance with financial interests intimately connected with promotion of immense enterprises, many of them being largely speculative. The bank credits of the country are being rapidly concentrated in the hands of a few bankers, who are more interested in banking on its financial [watered stocks, etc.] side than in banking on its commercial side.

"Such concentration as this is dangerous in a political sense. The people have already been greatly disturbed by the concentration that has taken place in the industrial world, and the fear that these aggregations of capital would become more powerful than the government itself has led to the enactment of statutes like the Sherman anti-trust law and to measures like that of the suit against the Northern Securities Company [the great railway merger of the Northwest]. But concentration in the industrial world is a far less menacing



condition than concentration in banking. The men or the set of men who control the credits of the country, control the country. And, if this concentration continues at the rapid rate with which it has progressed in the past ten years, there will surely come a time when the people, alarmed at the growth, will rise up in some vigorous measures to assert their power. Such an uprising would involve the most serious consequences and would likely be carried to the most unreasonable limits. Yet there can be no doubt that further concentration of banking power in New York is the end in view of some of our leading bankers. They believe that there will be a further reduction in the number of banks, and of a further increase in the power of the big banks. That is one reason why this banking concentration needs to be studied and its consequences carefully weighed.

“But there is still another reason why this development in modern banking is open to criticism. It is largely a departure from commercial [legitimate] banking. It is turning the power over the bank credits into financial [stock promotion] channels. So long as the country is prosperous no immediate danger may be apprehended from such a development as that. Moreover, no one can question the extraordinary ability in which these institutions are controlled, nor the intention of their officers to operate them on a policy that will secure them against any possible disaster. But it is always the unexpected that happens, and our panics are commonly ushered in by some unforeseen calamity, and it is a fair inquiry to make whether banking conducted on a ‘department store’ principle, with credits concentrated in a few great institutions, and with these institutions having large interests in financial and speculative enterprises, would be in a position in such a moment of unexpected calamity to do more than to protect the financial and speculative interests with which it is allied. In such a contingency what protection would be left for the great commercial interests of the country?

“‘There has been a congestion of money in New York,’ said a report made to the recent convention of Illinois bankers, ‘which leads to unwise speculation and creates conditions resulting in unstable and fluctuating rates of interest.’ To this condition banking concentration contributes.”

## CHAPTER XXVI

### JUGGLING WITH DOLLARS, OR HOW SPECULATION IS CARRIED ON.

*Speculative Fever is Inborn—Speculation Means to Spy Out—Before the Advent of Instantaneous Communications by Telegraph and Telephone, Business Carried on Between Distant Communities was Speculative—Modern Speculation is Gambling on a Basis of the Element of Time and is Considered Injurious to the Morals and Interests of the Public—Barometer of Business.*

EVERYBODY at some time speculates in some form or other. It is probable there never was a great fortune accumulated without a great deal of speculation. Of the thousands of millionaires of the country and of the whole world, those who did not inherit their wealth doubtless accumulated it through methods in some degree speculative, and even those fortunes that have been inherited very likely had their foundation in this sort of business.

But there are a great many wrong conceptions as to what speculation is. The word speculation comes from Latin origin and means to spy out. In its simplest form in a business sense it means to spy out an opportunity to make a profit through a business transaction. Today it means the buying and selling of property with a view to securing profits through changes in the price of that property. Nearly every business transaction has some sort of speculative element about it, but generally speaking the term is confined to those operations where the element of risk is an important one.

In the old days, before the railway had been developed so that transportation from place to place was easy and rapid and before the telegraph and telephone made communication instantaneous, most business carried on between distant cities or countries was largely speculative. This was due to the fact that prices of any commodity fluctuated somewhat widely in the different markets, more widely than the difference in transportation and other charges would warrant. The cause of this naturally was the fact that merchants were not in touch with market conditions as is the case today, and hence were not able to meet supply and demand rapidly enough to equalize prices.

Today the great improvements in business methods have revolutionized such business. Speculative business, therefore, has come to be confined almost exclusively to transactions involving the element of time. In its simplest phase time speculation was nothing more than buying property outright and holding it in the anticipation of a rise in price. This practice is as old as civilization and generally, until recently, has been considered injurious to the best interests of a people. Toward the end of the seventeenth century it was the custom in Holland to buy and sell the products of fishing voyages before the results of the voyage were known. A century later speculation in grain, coffee, etc., was very active in Amsterdam, developing many of the practices of modern exchanges. In that age, however, the buying and selling was of a particular lot of goods or products.

As modern improvements were effected and many commodities were stored in public warehouses—such as grain in the grain elevators—the custom arose of giving warrants or receipts for such stores. With this development it became the custom to trade or speculate in the warrants for a certain quantity of any commodity of a standard quality or grade. Then speculation received a new impetus. It thus became possible for a man to sell goods which he did not possess, for at any time he could secure identical goods upon the market with which to fill his contract for delivery if he could pay the price. The marvelous growth of speculation in recent years is due largely to this principle. To this also is due that peculiar kind of contract so common to speculation and against which there has been considerable legislative hostility both in America and in England—the contract for future delivery generally termed trading in “futures.”

Fundamentally speculation plays a great part in the actual business of the world. When the supply of any commodity is liable to great uncertainties, as, for example the products of agriculture, it is generally held that the distribution of the commodity should be as nearly equal to the demand as possible—equalizing the price so that one year there will not be famine or famine prices and the next year such a glut that the producer will have to allow his commodity to go to waste. A class of people who make a business of studying the question of supply and demand, endeavoring to buy such commodities when they are abundant and cheap in order to sell them when the price advances—serves to bring about such a distribution and thus renders an important social service. In other lines of business, such as iron and steel, fluctuations in prices frequently are very wide. The consumer in order to guard against loss often makes contracts with producers for the



future delivery of the product at a given price. This in most quarters is not considered other than highly organized business. But nevertheless it has all the elements of speculation. Business risks of this character, therefore, are insured against by what is considered legitimate speculation.

Often, however, the speculator, through shortsightedness, mistakes conditions as they exist and does not calculate closely enough as to the future supply and demand. When such a thing happens it is often that the speculator causes greater evils than those which he is supposed to overcome through his usual functions. Thus for a time speculation may serve to keep prices abnormally high, only to cause such heavy overproduction in a succeeding period that prices may fall to an exceedingly low point. Speculation thus may bring about a panic or crisis, with hard times and business stagnation following after.

It may be conceived readily enough that where, through the risk of capital and the exertion of wisdom and experience, liberal profits follow speculative activity, a great many persons ignorant of business methods and market conditions are tempted to speculate. Among people who are bent upon making profits it also is but natural to find unscrupulous persons who will take advantage of such ignorance to spread false reports or otherwise play upon the credulity of ill informed speculators. This often brings ruin to individuals and in the long run works against the welfare of the public.

While every business which has in it any sort of considerable risk is strictly speaking, speculation, this phase of commerce finds its most highly organized machinery in the boards of trade and stock exchanges. Real estate also lends itself readily to speculation, some of the greatest fortunes having been made through the purchase of timber lands in anticipation of future needs of the community for lumber, etc.

It would be difficult in a work of this character to give in detail every influence working for speculation. But we have seen that primarily speculation is a risk of capital to secure profits. Therefore money itself and the rates of interest are prominent factors. This necessarily brings the bank, the trust company, the life insurance company, the individual capitalist and any one who exerts some power on money as a direct or indirect factor in speculation. The money seeking an investment plays a part even in affecting mere gambling phases of speculation. In a similar manner anything affecting prosperity, such as earnings of corporations, the yield of the cotton, wheat, corn, oats, barley, coffee, tobacco, hay or other crops, the condition of live stock on the great western ranches, rainfall or drought, labor troubles and great

fires or similar calamities work some change in speculation by affecting values of the commodities speculated in through increasing or decreasing supplies. This of course influences prices, and speculation deals with prices.

Even, then, if there were no stock exchanges or boards of trade, as carefully organized as such institutions are today, time and the news of great events would be great factors in speculative markets. Much more so is the case today when this business has been developed to the fine art it has attained. We may, therefore, expect to see every contrivance imaginable which will eliminate time in actual operation in the speculative markets today; and that is the case.

In the first place, there are the electrical devices such as the telegraph and telephone to bridge space and time. The cable also is brought into constant service to tell domestic operators the news of the foreign markets. In the great market centers special devices have been evolved, such as the stock and grain "ticker"—a little electrical machine which prints quotations of the market or news of the trading which will affect the trading. This machine prints upon a narrow ribbon of paper whatever is sent by telegraph from a distant source of news. This paper is called the "tape" and it is eagerly scanned during trading hours by speculator and broker.

Then there are news agencies which, while using some form of ticker to transmit news or quotations, also give out small slips printed with news of value to bankers, speculators, brokers, etc. The daily papers also are of great service in speculation, for they disseminate the news which affects prices sometimes very markedly. It was recently estimated by the *New York Times* that the commercial and financial articles and market reports published every year in all the daily, weekly and monthly publications of the country would make nearly two hundred and seventy-one million books of the size of the ordinary novel.

Private telegraph and telephone systems are called into service by brokerage firms doing business in many cities. Thus a firm may have headquarters in New York or Chicago, according to whether its principal business is stocks or grain, or in New York or New Orleans if it deals principally in cotton, and from any of these trading centers may string out thousands of miles of wires connecting hundreds of other cities and towns where branch offices are maintained. A private telegraph wire is necessary because secrets of great importance might be stolen from the wire if it was in general use. Such a private wire between Chicago and New York costs about \$15,000 a year.

*New York Stock Exchange.*

Undoubtedly the greatest development in the machinery of speculation has been seen in the history of the New York Stock Exchange. This is an unincorporated institution today, with a limited membership of 1,100 men who own what are termed "seats" on the exchange. The "seats" or membership have sold for as high as \$88,000 each in times of active speculation, suggesting the value of such an association to the broker who executes buying and selling orders in stocks and bonds on the floor of this exchange. The objects of this association are to furnish exchange rooms and facilities for convenient transaction of the business of the members, to maintain high standards of commercial honor and integrity among its members and to promote just and equitable principles of trade and business. While there is much manipulation on this exchange, when a member is found guilty of a breach of the stringent rules he is expelled.

In order to transact business on the exchange of course there must be something to trade—that is stocks or bonds. It is impossible to buy or sell securities which have not been formally admitted by a governing committee to the trading. By reason of the fact that this exchange is the greatest market place for securities in America, the corporations which must finance their business through money raised by the sale of stocks or bonds "list" their issues with the exchange. There are two principal departments on the exchange, "listed" and "unlisted." These include stocks and bonds that are admitted to trading, those in the former differing from those in the latter only by the character of the financial reports which the exchange compels the corporations to publish from time to time. By means of this publicity the exchange has the power of placing before investors needed information as to the soundness of corporations.

About \$15,000,000,000 of securities par value are thus admitted to trading on the New York Stock Exchange. This is a very considerable part of the wealth of the country, but frequently the total capital stock of some companies, through manipulation or speculation, are turned over ten to thirty times a year. Indeed sales of stocks on the exchange during 1901 were valued at \$25,272,329,220 par value. Ordinarily about 600,000 shares of stocks are bought and sold each day, but often more than 2,000,000 shares have changed hands in the five hours of trading while on some days the business has exceeded 3,000,000 shares involving perhaps \$25,000,000. Bond sales frequently exceed \$5,000,000 a day and sometimes reach \$11,500,000.



This great trading place for securities is in the heart of the financial district of New York called Wall Street and has one entrance on Wall Street proper and the main entrance on Broad Street, with another on New Street. The building which houses this exchange is a beautiful new marble structure with every conceivable convenience for trading. Thousands of telephones are connected with it. On two walls of the great board room are 1,100 electrical enunciators, or signals, which warn a member that he is needed at the telephone or elsewhere. Even the air which the members breathe is filtered through great cloth sieves in the basement, and as much as fifteen barrels of water have been extracted from the air that enters the building on a warm, humid day.

When a visitor enters the public gallery of the exchange the first thing that he sees is groups of loudly shouting men gathered about sixteen posts erected at regular intervals on the floor of the board room. The posts are numbered and brokers or traders transact their business according to the allotment of specified stocks at certain posts. Thus, if a trade is to be made in United States Steel stocks it must be at Post 1. On this post are the names of all the stocks allotted to it, as well as figure indicators which the members move to record the number of stocks sold each day.

So important is the immediate knowledge of the price at which securities are selling that a complete system of recording and transmitting prices over the country has been devised. Between each four posts is stationed a telegraph operator to whom are brought by reporters as fast as possible records of all transactions. The sales are at once ticked off on the instruments and relayed by "tickers" all over the world.

The visitors may ask just what is being done in the noise and tumult below him and a detailed answer may be worth while. We have seen in this and preceding chapters what enormous amounts of capital are invested in the securities of corporations. Today as never before business is done through co-operation of many small capitalists, although the great kings of finance dominate. These hosts of smaller capitalists furnish funds by means of investing in stocks or bonds. It is a matter of history that in 1792 during a financial stress the federal treasury came to the relief of the money market by paying out \$50,000. Some time ago E. H. Harriman said in the presence of the writer during the famous litigation over the illegal Northern Securities merger that a deal involving \$60,000,000 was not of very great moment. And it is well known that J. P. Morgan found little trouble in financing the great United States Steel Corporation with over a billion dollars of capital stock and nearly half

as much bonded debts. Now, to float such gigantic undertakings the small investments of the public are needed and the machinery of Wall Street and the stock exchange is necessary to the fulfilment of such great financial schemes. Let us watch the "unloading" process, the method of marketing these stocks to the public.

We have supposed that the promoter who conceived the idea of the corporation has done his work of getting a financial backer—moneyed interests who approve the scheme—and that the corporation lawyer has drafted the charter and by-laws of the company under the friendly wing of such an incorporation law as that of New Jersey, West Virginia, Delaware or Maine, where most trusts thrive. The next thing to do is to get an immediate purchaser, or guarantor of purchase for the stock. The banker who has approved the scheme perhaps is not willing or able to advance all the money.

The natural thing to do is to organize an underwriting syndicate. The banker generally is a principal of this syndicate and several prominent capitalists, in some cases many of them, may be called in to assist. The syndicate agrees to buy the stocks or bonds of the company, or both, and to pay for them on the installment plan as the company may need the money. Generally a certain percentage is to be paid down at once to aid the company in proceeding with its regular business of manufacturing or transportation or whatever it may be. From time to time thereafter certain "assessments" may be called from the members of the syndicate to supply the company with money, that is, in the event that the sale of the securities by the syndicate does not progress well. In the end the company has all its securities taken off its hands and the syndicate is paid either a commission, or is to get its profit between the reduced price at which it bought the stock and that at which it was sold.

About this time the public has been notified that the company's securities are for sale. The manager of the underwriting syndicate may decide at once to have the securities listed on the New York Stock Exchange to facilitate in marketing them, or he may postpone this until a more opportune time. At any rate, about this juncture bits of information favorable to the stock are heard. The syndicate manager calls in the newspaper men or tickers' agency reporters and gives them news of big earnings, actual or prospective. Then favorable rumors are heard about the stock or bond in question.

At this point an actual market price for the stock must be established somewhere. If it has been admitted to trading on the exchange sales are made there; if not, business must be transacted on the "curb." The manipulation of

prices now begins. The commonest method is for the syndicate to hire a manipulator, such as did the United States Steel Corporation management when J. P. Morgan secured the service of the great market trader James R. Keene to market the Steel stocks. Naturally the public knows nothing about a new stock and is loath to buy it. Therefore the manipulator "matches" orders or makes some "wash" sales. The former is a transaction where an operator gives orders to two brokers or sets of brokers for identical amounts of stocks to be bought and to be sold at the same time. In the end he has neither increased nor diminished his holdings, but he had created the impression with the public that there is great activity in the new stock and hence that the public is becoming interested in it. This of course gives a fictitious value to the stock and may attract genuine buying by investors. Manipulation by "wash" sales is where two brokers conspire to make a pretended sale, simply in order to make a record price for the stock. Such methods are of course contrary to the aims and rules of the exchanges, but they are used almost without limit when unloading stocks is desired, either with new or with old securities.

When a semblance of demand for a stock has been brought about the active speculator takes up the matter of temporary investment. Now, throughout the length and breadth of the world there are many people who make it their business to buy securities for the time being, speculators who expect to sell later when the price has changed to their profit. These are men who study conditions and are expert enough to understand values. They fill the function of equalizing prices, of buying up supplies when there is a small demand and of selling to fill the demand when the outstanding supply is short. In times of panics it may be the great capitalists who are the speculators, taking up great reams of securities at low prices and holding them until the trouble has blown over. When the manipulator has been successful in attracting the speculator to the new stock which the underwriting syndicate may wish to dispose of, it may be all the stock can be sold at once to this class. Or the investing public may assist at this time. Let us look at either case.

If it is the investor who comes on the scene all we have to do is to watch him give his broker an order to buy the stock, for which he pays in full in cash, plus a commission of one-eighth of one per cent. The broker himself may go to the exchange and transact the business or he may have an agent do it. If we watch this phase of the business from the gallery of the exchange we see two men meet a moment at one of the posts; one offers a certain price for a certain number of shares of stock, the other accepts or names another



price. It is much the same as a horse trade, only on the stock exchange the stock certificate does not change hands. The brokers simply make an oral agreement and take a memorandum of the trade. Later the transaction is completed by clerks delivering the shares at the purchasing broker's office and getting a certified check in payment. All the business on the stock exchange is done in this simple, trusting manner, yet in active business the haggling of prices makes such a din that it can be heard all over the building and even outside of it.

The trading of the speculator is not so simple. He trades almost invariably on margins, that is, he buys, say, \$100,000 worth of securities and pays perhaps \$5,000 or \$10,000 for them, having an encumbrance of the balance on them. The reason he chooses to do this is that he can employ a smaller amount of money to a greater advantage than by paying in full for the stock. The speculator can always borrow money from the banks or trust companies or from his broker on the stock; for unless it is a time of panic securities are generally good collateral at the banks for loans. This speculating class may be divided into several kinds of traders: the "room trader" who is a member of the exchange, always ready to take a position on the market at a moment's notice; the average speculating public who buys or sells for profits and not as an investor seeking an income, and the "professional" speculator who also may be a "room trader."

The onlooking public does not understand the difference between such speculation as that of the "room trader," who always is in the market, and ordinary gambling. The difference strictly speaking generally exists, but sometimes, even often, does not. Because the fluctuations of prices appear to be uncertain, and indeed are so from day to day, the machinery of speculation serves the purpose of gambling quite readily. The bucket-shop, which is simply an imitation of a true brokerage office, thrives on pure gambling. The speculator, however, does his business as scientifically as any business is conducted. It is the speculator's business to know conditions; he may make mistakes in judging of values and their relations to prices, but so does every business man some time or other. The greatest benefit the professional speculator serves is to discount the future, as we have suggested. When he sees popular sentiment overrunning itself, he checks it by selling stock "short." If the public is getting drunk with a boom, or by taking up stocks thrown over by the frightened public in times of panic, this process serves as a balance wheel on investments and on general business as well.

## CHAPTER XXVII

### DIFFERENCE BETWEEN SPECULATION AND INVESTMENT.

*A Majority of the American People are Speculators—Invest Their Money Blindly in Securities—Do not Know the Difference Between Saving and Speculation—Real Estate the Real Safe Investment.*

WE HAVE already seen in the chapters on the Money Trust and the Insurance Trust where the greater part of the savings of the people are placed. We know that in the savings banks alone there are deposited over \$3,000,000,000 of the savings of the people of the United States, representing over 7,000,000 depositors. And the life insurance companies hold assets to the amount of over \$2,500,000,000. It has been estimated, that by reason of some people holding more than one insurance policy and some people having more than one savings bank account, the savings in these two principal savings mediums are controlled by about 8,000,000 people—or about one-tenth of the inhabitants of the country. In the chapter on the world's savings bank deposits we saw that, while the United States stood at the top of the list of countries for the amount of money saved, it stood fifth in the matter of the number of savings bank depositors. Therefore we learn that in proportion to the number of inhabitants of the country we fall behind Germany, France, the United Kingdom and Japan in frugality.

Now, what a nation saves constitutes a nation's capital. It is a good principle to save, but it is unwise for a nation to become miserly. Therefore that which will promote the greatest enterprise and general well being is the best thing for the country. This comes through investing savings wisely so that many small sums of money will go toward strengthening a nation in its work of progress. The people of France have long been known for their saving ability and the habit of investing their savings where they will do the most good as a whole. France is one of the richest countries of the world and her financial power is enormous on account of the frugality and aggregate savings of her people, yet the amount of her deposits in savings banks is even less than those of Austria and compare with the United States as 8 to 30. But the French people are a class of small investors in securities. While they

may have suffered severely at times because of misplaced confidence, as threatened to be the case in their holding great amounts of Russian bonds during the Russo-Japanese war, there can be no doubt that on the whole the people of France are much better off because of their habit of investing directly in securities.

Here in the United States we stand the richest people of the globe and also the most prosperous. But this is not because of our savings. Rather it is because of the great wealth of the country that our savings are as large as they are. The savings of this country are given over to other people like the banker and life insurance manager in trust to control, well if possible, badly frequently. It is believed by many good and competent judges it would add much to the welfare of the country, and also would help to check concentration by a few men in the Money Trust and in the Insurance Trust, if the people as a whole would make intelligent investments of their savings in securities. This is not intended to discourage life insurance, for that is a great factor for laying up something for old age or in the case of death. Nor is it desired that savings in the banks of the country be discouraged. Rather it is to be desired that more saving be done and that in such a manner as will tend to distribute more widely through the people the ownership of the great producing and distributing agencies of the country and to a large extent to bring these agencies under the more direct control of the people instead of concentrating them in a few hands.

The trouble in making investments is that the average person does not know the difference between this form of saving and speculation. It may be said what is one man's investment in another's speculation, and what is one man's speculation may be another's business. It has been shown how speculation is a business transaction for profit which involves risk. To invest primarily is to lay out money with the view to making profits with a small amount of risk. Furthermore investment suggests a more permanent use of capital as opposed to speculation. Thus the principal laid out in investment is expected to remain intact and to bring in a regular income, whereas speculation risks the principal for a short time in the hope of a large profit. In the stock market it is customary to speak of an investment as being the purchase of high class securities which yield a low rate of income, these securities to be paid for in full and put away for permanent keeping. Speculation in the stock market is regarded as trading on "margin" in a large amount of stocks and with a small amount of capital, with a hope of closing out the transaction soon with profits. Here it is merely the fluctuation in price which is considered



in speculation and it does not matter much for this purpose whether the security has an income or not. Thus, it is seen, what may be the relative difference between permanent investment and quick speculation, between a transaction that calls for security and one that necessitates risk.

But many so-called investments, especially if they are made with poor judgment, are less permanent and more risky than speculative transactions. The man who makes it his business to speculate in stocks may risk less than many people who are not expert may lose in investments. To such a trader speculation is, in a large degree, an investment—an investment in his regular business. A person who has devoted a life time to the study of mining properties might put his money into a mining stock with such knowledge as to make the transaction an investment; while for the majority of people this would be a speculation. What might be considered an investment by a business man would be a speculation in the case of a woman or the guardian of trust funds.

Now, it is of greatest importance to get a clear idea in regard to this matter if one has money to invest. The first thing he must decide is whether he really wants to invest or to speculate. If the latter he must choose deliberately to accept great risks for the chance of making possible great gains. For instance, if some big railway project is to be started which needs funds, it may be some time before the road would earn money enough to pay dividends on its stock regularly and thus make it an investment. Yet it would be perfectly legitimate for one to put money into the enterprise if one believed profits eventually could be made out of the transaction. Such a deal is nothing but speculation; though to the man who knows all the details and weighs all the risks and chances it may appear as clear as an investment as government bonds would to a banker. Indeed, the great railways and industrial enterprises of the country were built upon just such risk—speculation.

If a man wants to make an investment he must decide what kind he will enter. If it is an investment which he has the time and intelligence to watch, keeping track of every changing condition of business he can afford to put his money into securities which yield a comparatively high income—and it is a rule in finance that *wherever there is a high rate of income there is an element of risk*. But if he wants an investment that will relieve him from any anxiety, by giving him absolute security, he must be content with a low income. Security and safety must be paid for like any other asset. For many people, no other investment than the latter ought to be entered into. This

rule really applies to the majority of people; certainly those whose capital consists of savings from small wages.

Yet it is exactly to this class of investors that the promoters of the wildest schemes of finance appeal. It is exactly this class which is most fascinated by wild stories of impossible dividends amounting to 50 per cent, 100 per cent or even 500 per cent a year and other "get-rich-quick" propositions. Sometimes schemers bring all sort of arguments to bear to fleece the people of their savings. Often circulars are sent out making fun of the old financial adage that "anything which pays more than the 4 per cent paid by savings banks is risky." Arguments are made that if this be true it must be risky to put money in the savings banks, because the only use the bank has for the money is to put it into some earning more than 4 per cent. Such contention often goes on to say that when a person accepts 4 per cent from a bank he virtually pays that bank four to six per cent of the earnings of his money for the use of the bankers' judgment. Now this sounds plausible and doubtless it brings many dollars to the schemer, dollars that doubtless ought to be put into savings banks because their possessors have not the intelligence nor the time to invest for themselves. In reality it is deceitful. The law which rigidly restricts the investments of savings banks shows what experience has demonstrated as being the only kind of investment a certain class of people should enter into. It would, however, be absurd to restrict a business man to an investment of a savings bank character. He wants something that pays better, and he has the capacity to look after it. Yet even he may keep a certain reserve in a low-income investment, in order to obtain that safety which is the only protection against the approach of disaster.

Recently the Equitable Life Assurance Society, in speaking of its method of investing trust funds, said:

"There is one way in which dividends to policy-holders might be largely augmented, but it is a way which will never be countenanced by the managers of the Equitable. That way would be to invest in speculative ventures. The income from the Society's invested funds might be greatly increased if such a course should be followed for it might result in a large temporary increase in dividends to policy-holders, but deterioration would be the inevitable consequence, and the Equitable would cease to deserve a full measure of public confidence. What is true of individual investments is equally true of the aggregate investments of a great organization. High interest suggests possible risk to principle. A moderate rate indicates security."

A well-known authority commenting upon this publication said it might

have been written for the guidance of every trustee of funds in the United States, and continued:

“It is as true of the individual investor as it is of the Equitable Life. The real investment fund put into speculative issues must ultimately deteriorate. The less the speculative element, the greater the stability, and stability is the great desideratum of investment. This statement does not apply to the business operations of business men. Business itself is speculation. But the business that is not conducted by business men, understood by the men that run it, carefully watched and guarded, is a speculation that is headed straight for ruin. What would one think of the trustee who put a woman’s fund, for instance, into a commercial enterprise with the management of which that trustee was not familiar; the credit of which was not beyond all question sound; the sole recommendation of which was the fact that profits were large?

“To put funds into the bonds or stocks of any corporation is to become a partner in that corporation. No man, not imbecile, will knowingly become a partner with knaves or incompetents unless he intends to keep most careful watch upon his partners. Yet thousands of the intelligent citizens of the United States will each year blindly buy the stocks and bonds of companies whose managers are both knaves and incompetent—merely because the dividends look large, perhaps, or because the prospectus of the company is pretty to look at, promises many things, and, on the whole, is comforting. To this great innocent investment class it must come as a shock that the huge ‘Equitable’ is afraid, actually afraid, to touch the securities that are fed out in millions to the public. The ‘Equitable’ has the best financial advice in the world. Great financiers and bankers sit upon its board. The combined investment wisdom of Jacob H. Schiff, E. H. Harriman, J. J. Hill, August Belmont, H. C. Frick, Sir William Van Horne and a dozen other such, is at its call. Yet the ‘Equitable’ dare not, with all this market wisdom at its command, take the bonds and stocks that are sold daily into the small safes of the country parson, the backwoods lawyer, the widow of the petty tradesman in New England. Daily, the widow’s life insurance legacy is sunk in stocks and bonds the ‘Equitable’ dare not buy, because it feels the risk is far too great. There is a grim humor in this paradox of the investment world. It is to-day as true as when it first was written:

“‘Fools rush in where angels fear to tread!’”



## CHAPTER XXVIII

### MORALITY IN WALL STREET.

*Great Financiers Are Trustees of Wealth for Others—Abuses of Sacred Trust Speculating with "Inside Information"—Juggling with the People's Savings—Great Power Creates Great Obligations.*

IN THIS DAY, when the world has been astounded by such scandals as that in the Equitable Life Assurance Society, the defalcation of several bank presidents, and misdeeds by the speculative director of watered or unwatered stock corporations, one of the most pertinent themes for discussion is that of the morality of Wall Street and of the financial community at large. It has been said that every man is a steward or trustee for others and must be judged according to the faithfulness of his trusteeship. Let us stop to consider what this means today.

We can scarcely appreciate the enormous size of trusted wealth today. There are some \$10,000,000,000 deposits in all the banks of the United States, about \$12,000,000,000 in capital in railway corporations, \$11,000,000,000 of life insurance in force and perhaps \$12,000,000,000 of capital in industrial and franchise organizations. Here, then, nearly half of the wealth of the whole nation is shown to be administered by a few trustees for the benefit of the many. This very fact calls for a higher morality and a stricter sense of honor than where business is carried on for and by an individual. The man who accepts the position of a director or trustee of other people's property finds himself held to stricter accountability than if he acts solely for himself. His directorship or trusteeship is a sacred trust. He finds himself confronted with two facts:

First. A corporation is not a private affair, but a creature of the law, allowed to exist only by the law; an artificial person made up of many changing individuals, and therefore in important relation to the public and strictly accountable to it for all acts.

Second. A trustee or director is serving, not for himself, but for others. Strictly speaking, he is a public servant and has no power of trusteeship in order to enrich himself.

Failure to recognize these truths is destined to result in the eventual collapse of the whole corporation system. It has been said with some accuracy that there are three things which cause immorality in corporations, and in Wall Street in particular, namely, "the ignorance of the stockholders, the demoralizing effect of collective responsibility and the feeling of the director that he has no right to jeopardize the opportunities of profit by listening to scruples in which he has no assurance that the stockholder will share."

Here we find perhaps the principal causes of business immorality. The average stockholder, generally being a minor investor and not connected officially with the corporation, does not feel shame at any misdeed done in the name of that corporation, as he would if he shared in the business through ordinary partnership. The stockholder might desire most heartily to keep down such abuses, but he is kept in ignorance of the company's acts; and the director, being an official who is to act frequently in some manner that may affect the market value of the stock of the corporation—what is called an "insider"—is tempted to use his "inside" information in the speculative market for his own profit, arguing with himself that he would do himself an injustice not to use it and would do the stockholders who trust in him no good to turn from the temptation.

It is in the abuses of sacred trust that Wall Street finds its severest indictment. Wall Street no longer means simply the crooked, narrow thoroughfare in New York City flanked by banks and financial houses, but the general financial and speculative community of New York, and inferentially of all America. It is at this center that all great financial operations find form or completion; that railway and other corporation directors have their headquarters or special meetings; that the biggest market for stocks and bonds exists, and that in general most important financing develops. Therefore, in a great measure, the morality of narrow Wall Street is the morality of financial America. And as has been said, it is in the violation of trust for the sake of gaining personal profit that the worst phase of business immorality is seen in Wall Street.

Considering the amount of billions of wealth controlled by directors and trustees, the actual visible defalcations, thefts, robberies, etc., committed are so insignificant that Wall Street may be called, in that sense, highly moral, notwithstanding the strictures against the wickedness of speculation and gambling seen in the stock markets and other exchanges. This speculation can be and has been explained on good ground as being justified by more than one cause. Speculation in securities, grain, iron, lumber or what not, requires a legal con-

tract, in which there shall be no fraud, and in which the parties to the contract shall be competent and shall give their consent. In general, this business is transacted with honesty. But let us consider some of the specific exceptions.

In the first place there is a serious question whether certain people are morally competent to speculate. With only a few exceptions it seems to be a truth well known in all the speculative markets that a broker must get a new set of customers every so often; that win, as some lucky one may for a time, in the long run the "public" or "lambs," as the outside speculators are called, lose capital. This at once raises the question of, Who gets this money? Much of it goes to brokers in commissions for transacting business for the speculator; much of it in paying big interest of marginal speculation beyond the capital of the speculator, but much of it goes to the "professional" or to the "insider." The former is the man who makes speculation his life-long business, judging of conditions, when it is a good time to buy and when to sell. He accepts the machinery of speculation as it exists and profits by the incapacity of the ignorant and casual speculator, much the same as a shrewd business captain bests a small competitor in a hard bargain.

But frequently in the stock market history has shown that the "ticker" told in advance the story of some important development in the finances of a corporation. For weeks, perhaps, a stock has advanced in price with much mystery; and then suddenly the directors of the company announce an extra or an increased dividend, the issue of new stock at cheap price, or the like. It is the infallible inference that some one in authority has "leaked." Contrariwise, it may be that the price of the stock has declined, and then the news comes out that dividends have been "passed," or stopped, or that the company confronts bankruptcy or some similar calamity. Examples of this sort of business are numerous, and the writer might detail in great length the rise and fall of certain stocks where the "tale of the ticker" showed plainly that some one knew far in advance what would be the financial policy of a corporation and profited thereby before the stockholders, who had all moral and legal right for as speedy knowledge of such developments as any one, received official notice of such developments.

It has been asked pertinently, How can a director morally, acting as a director, buy or sell the stock of his own corporation for speculative profit? Suppose he acts with foreknowledge of pending important developments and buys stock in the company. In reality by thus doing he uses his "inside" information to buy of a stockholder for whom he is trustee. If the stockholder who trusts in him had known what he knew, the stock would not have



been sold to the director. Whatever profit the director makes on such a transaction virtually belonged to the former stockholder—was made in fact at the expense of the man for whom the director had sworn to act as trustee in faith and good practice. If, on the other hand, the director, knowing of some bad development, sells his stock out without making public this situation, he becomes a trustee for a man whom he has defrauded simultaneously with the act of becoming trustee. This leads to the inevitable conclusion that good morals cannot permit a man to speculate in the stock of the company of which he is director. If this reasoning is carried a step further, it will be seen that a director has not the right secretly to communicate "inside" information to others who can use the pending developments for speculative purposes. For, whether the speculation be to buy or to sell the stock of a company, the action of the director results in a breach of trust which he has promised to hold inviolate. And yet the writer is personally informed almost daily of developments that will transpire to the good or to the detriment of stock values and prices long in advance of the casual stockholder.

Obviously here is one common cause for revolt against Wall Street's slack morals and against such methods of juggling with the people's savings. As Thomas F. Woodlock, an authority on Wall Street affairs, has said in referring to this action by speculative directors: "The advantage is not theirs to use or to give away at their good pleasure. The use for personal profit of advantages arising from holding of public or fiduciary office or power is the essence of all 'graft,' whether it be politics or whether it be plain business. Take the case, for example, of individual directors of a bank or a trust company or an insurance company who make a profit from underwriting syndicates, it being understood that the bank or trust company or insurance company is to purchase some of the securities thus underwritten. There is only one word that characterizes the transaction, and that is plain 'graft.' It makes no difference whether the securities ultimately purchased by the company, bank, trust or insurance, are purchased at a fair price or not; the individual director is not morally competent to make such profits and such profits morally belong to the company because they attach to the official position and not to the individual. If this reasoning is correct, and I see no escape from the conclusion, it is evident that in the broad sense of the word, 'insiders' are not morally competent to speculate in securities in Wall Street for their own individual profit. By reducing the fiduciary relationship represented by an 'insider' to its simplest form of trusteeship, namely, that of one individual to another, the case is evident. Thus, the moral competence of a large section of the Wall Street

community to speculate in securities for individual profit is very decidedly restricted, to the extent that the Wall Street community occupies a fiduciary position in relation with the public. What is the practice of Wall Street in this respect?

“I dislike to bring a general indictment against a person or a community, but the plain fact is that in Wall Street speculation by ‘insiders’ for their own exclusive personal profit is the rule. The proverb that ‘the tape tells the story’ has quite common use because of the generality of the practice. My observation compels me to the conclusion that the ‘insider’ who does not use his official position for his personal profit by means of speculation is extremely rare. Furthermore the Wall Street community cynically expects him to do so, and in no way blames him when he does it. I fear no contradiction on this point from any one possessing even a limited experience in the street. Thus as regards the first of the principles governing the case we are compelled to the conclusion that, so far as the speculative public is concerned, a very large proportion of people who speculate are morally incompetent to do so, because they risk money that they cannot afford to lose, and so far as the Wall Street community in particular is concerned a large part of the speculation is conducted by people who have no moral right to do so, because they are aiming to derive personal profit from fiduciary relations. I do not want to say that the majority of speculative transactions are made by people who are morally incompetent to make them, but it is very evident that a large part of them are so made.”

## CHAPTER XXIX

### LYING TO MAKE MONEY—HOW WALL STREET THRIVES ON FALSE RUMORS.

*“Fake” Quotations—Gambling on Rain or Sunshine—Government Weather Reports Eagerly Sought and Often Perverted—How Fortunes are Made and Lost on Rumors and Canards.*

WALL STREET has been busy these many years trying to live down a bad reputation. Competent judges say that in this great money-center of America the old proverb “Honesty is the best policy” is the rule of conduct. Nevertheless there is an element in Wall street that makes it pay to lie. This element is made up of such speculators or big moneyed men who circulate rumors for the effect it will have on the prices on the stock exchanges of the country.

To the uninitiated in the matter of this feverish business of hazarding wealth in order to gain quick though doubtful profits it should be explained that the rumor or canard often plays an important part in speculation, or rather in that phase of speculation which most nearly resembles gambling. When prices of securities are moving rapidly up or down on the stock exchange, every speculator, or investor for that matter, wishes to know the cause. To the investor who owns stocks or bonds that are appreciating in price this information may be of the greatest value. For if the higher price, for instance, is based on the knowledge or belief of other investors that the property represented by the security is increasing in value, presumably the holder of the stocks would desire to retain his holdings in order to participate in the better earnings to be distributed in dividends. On the other hand, if there were no special reason why the stocks should be advancing save because of the manipulation of speculators, the investor might desire to sell out at this better figure.

In like manner, the speculator desires to know the cause of price fluctuations, for it may mean an opportunity to risk his wealth in an enterprise that promises to earn him new wealth. And the gambler desires to know what is going on in order to bet on the probable winning side.



Since explanations of "booms" and "flurries" must be found to appease the appetites of those of Wall Street, rumors of some sort generally accompany such movements in stocks. Some times they come to notice after a movement in prices has already started; sometimes they precede the movement and cause it, and sometimes they both follow and accentuate the price changes. It is safe to say that 99 out of every 100 rumors are the purest fiction.

However absurd a rumor may be, if it is circulated extensively enough it always has some effect upon the market. The writer recalls an incident in the stock market panic of the summer of 1903. Wall Street was experiencing a money pinch and feared hard times. Too many banks and trust companies had invested the people's savings in the stocks and bonds of heavily "watered" corporations and hence were in a precarious condition. In the midst of a panic one day several banking concerns of Baltimore suspended business. Then, presumably to add to the slaughter, some "bear" who wanted to see stocks go down still further, started the report that the Northern Trust Company of Baltimore had failed. This, on top of the other failures, suggested to Wall street speculators that affairs in the Maryland city were in a frightful pass. By the time the writer telegraphed to Baltimore for particulars and learned there was no such bank in that city and that the report was a lie, the damage had already been done and stocks had been lowered to the satisfaction of the "bears."

Usually it is easy to trace a rumor that has been started for a purpose. Sometimes the source of such a rumor is not located, but generally the falsity of a rumor is made apparent very quickly.

Probably most lies start from "pools" which are operating in the market to raise or lower prices artificially. When this is the case the lie is a lie morally but often is carried without being a lie other than in action. For instance, such a "pool" or syndicate must employ many brokers to carry out its orders on the exchanges. When the manager of such a "pool" gives his orders to a broker it is very easy to make a significant but somewhat ambiguous remark. The broker repeats the remark, generally expanding it, to some other broker or customer. With this start the rumor may gain rapid headway. This entices speculators in the stock, generally to buy it in hopes that it will advance rapidly. Before the rumor has got well under way the "pool" has begun operations in the stock and this attracts market attention. This prepares the public mind to accept any rumor that comes along. In nine cases out of ten a good deal of buying is attracted by the rumor and

when this is accomplished the "pool" has sold some of its stock, probably at a good profit.

The strange thing about rumors and canards is that very few members of the stock exchanges believe them when they hear them. Yet they frequently speculate on their influence because such "tips" frequently have their desired effect.

The author quoted in the foregoing chapter on the morality in Wall Street says falsehoods are either deliberate or suggested or are of the truth suppressed. "(a) In the matter of *suggestio falsi* the commonest form is that of the plain lie, as where some one desiring to sell stocks starts a rumor that a dividend is to be increased or a deal of some kind made whereby the value of a stock will be materially enhanced, thus inducing others to buy the stock that he wants to sell; or conversely where some one desiring to buy the stock starts a rumor of receivership or reduced dividends, thus inducing others to sell the stock he wants to buy. This is the simplest and grossest form of deception, and descending from it in the scale of deception may take innumerable forms, all designed to play upon the speculative spirit of others, inducing them to buy or sell as may be desired. There is, for example, the practice of 'washing sales' by means of 'matched orders,' the object of which is to create a general impression that a genuine market exists, and that the prices recorded are genuine prices reflecting real and bona fide transactions. A 'wash sale' is a transaction in which one person will arrange with another to buy from him securities at a certain price, thus establishing a 'quotation,' although buyer and seller are one and the same person.

"The Stock Exchange rigidly prohibits such transactions in that it will not allow its members to make them knowingly. It will not allow A to pre-arrange with B to buy from him or sell to him the securities which he openly offers or bids for on the floor of the Stock Exchange. It forbids these transactions because the resulting quotation is, in common parlance, a 'fake quotation,' the ultimate object of making which is to deceive some one else into buying or selling the security. Unfortunately the regulation against 'wash sales' cannot possibly and in practice does not prevent, for instance, C from giving to A orders to sell and B orders to buy an equal quantity, neither A nor B being aware of the other's orders. A goes on the floor and in good faith fills his order, B in equal good faith selling the stock to him, and C thus accomplishing his object—namely, making a 'fake quotation' with intent to deceive some one else. The Stock Exchange cannot stop this kind of thing, because it cannot discover where it is done. This latter operation is sometimes called 'manipula-

tion,' and to the extent that deception is intended and practiced it is morally indefensible. For unless we are to hold that the 'end justifies the means,' a maxim most correctly reprobated in theory, but somewhat widely practiced, we must hold that direct deception of any kind by the suggestion of that which is false can never be right under any circumstances.

"Without further multiplying instances we may ask how does Wall Street stand on this matter? To what extent is the lie in its various forms a part of its daily activities? To what extent are its quotations manipulated with intent to deceive? As everybody knows, Wall Street is the land of rumor. To what extent is it guilty in a moral sense?

"There is manipulation, manipulation with intent to deceive, and plenty of it. Still on the whole, I think I am strictly fair in saying that everything considered Wall Street is not nearly so black as it is painted in this respect. To begin with, it is difficult for people who have not direct experience of the Wall Street community to realize to what extent the seething mass of rumors which constantly fill the street is the result of a kind of spontaneous generation. In Wall Street the speculative imagination is apt to run riot on very little provocation and to generate stories from the most elementary of materials. The 'guess' of one man expressed to a second becomes the 'believe' of the second expressed to a third, and when the third man comes to pass the story along it becomes the 'I know,' and none of the three really intends to deceive. After a good many years of experience as a newspaper man in Wall Street I am convinced that the large majority of the rumors which get into circulation in speculative circles are born out of pure conjecture rather than a deliberate attempt at fraud. Unfortunately this is not always true. The kind of yarns that will be put into circulation by people conducting speculative pool operations and put into circulation by a complaisant and more or less corrupt 'court circular' press are plain lies and constitute the kind of deception or fraud that morally vitiates a contract. While there is nowhere like the amount of this sort of thing done in the press of today that was done in the press of twenty years ago, there is still far too much;—but let us look at the other side of the case.

"The principle of publicity has made enormous strides in Wall Street in the last few years. Publicity is fatal to deception as sunlight is fatal to germs of disease. In my relatively short experience I have witnessed a wonderful growth in Wall Street of a spirit of frankness, on the part of those who make the news, towards the public in general. Not only is this the case in the matter of telling the truth, but it is the case in the matter of telling plenty of the



truth. I am proud to say that nowadays I find it safe in Wall Street to go on the principle that men in their direct statements tell the truth. I find it safe in my work as a newspaper man to believe the greater part of what I am directly told by people in official positions. It is true that the 'official denial' is still with us. I am going to that in a moment. Nevertheless, speaking from my own experience in Wall Street, I have no hesitation in saying, first, that men as a rule speak the truth in Wall Street in speaking of that which they know, and second, that there is wider dissemination of essential truth in Wall Street and a better general understanding of that truth, so far as facts and figures bearing upon securities are concerned, than there is in other commercial and industrial communities with respect to their characteristic products that are bought and sold.

"(b) As to the *suppressio veri* form of deception we understand it to mean concealment by one party to a contract of something vital concerning the matter of the contract which the other party has a right to know. Of course, the principle of publicity is directly opposed to this form of fraud. Twenty years ago concealment of essential facts was a common form of deception for speculative profit, or at all events very much more common than it now is. As I have already pointed out, corporation officials in recent years have come to recognize the legitimacy of the public's demand for information with respect to corporate affairs and have freely complied with it. As a result, it is as a rule relatively easy to ascertain the truth respecting financial developments in Wall Street except important negotiations actually pending which would be rendered futile by general knowledge of what was in progress. It is in such cases that the 'official denial' is mainly to be met with today. The phrase 'official denial' has come to be something of a proverb in Wall Street owing to the fact that its use is practiced in an emergency. Many people consider it to be justifiable. Within a few weeks a leading banker admitted to me, on my putting the question to him plumply, that if it were necessary to prevent me from obtaining information which would prejudice an important operation which he had in hand, he would officially deny something that was true. His excuse was that it was not fair that anyone should be placed in a position where he was compelled either to affirm or deny something presented to him in the form of a question. The argument was that as a result of modern newspaper enterprise, which has deprived people of their just privacy, refusal either to affirm or deny has come to be regarded as equivalent to a confirmation of the report in question. Consequently, from his point of view, there would be nothing for it but to deny at the expense of truth.

## CHAPTER XXX

### WHAT'S WHAT IN BUSINESS.

*A New Business Dictionary—The "Lingo" of Wall Street—A Comprehensive Explanation of All Technical Words and Phrases Used in the World of Finance and Speculation.*

#### **What is a trust?**

The popular conception of a trust is a corporation or combination so large that it is powerful enough to compete successfully in its chosen field. Mere bigness, however, is not a trust in the proper sense of the word, even though this use is general both in every-day speech and in much that is written about such combinations. The best definition given, that acknowledged by Standard Oil, embraces "the intent, power or tendency to monopolize business, to restrain or interfere with competitive trade, or to fix, influence or increase the price of commodities."

#### **What is monopoly?**

Monopoly briefly is the absorption or control of the source of supply. In its strictest sense it is a grant from a government of an exclusive right to carry on a business or traffic. In the modern sense monopoly suggests the control of such a preponderating proportion of a market for any commodity or service that the price therefor can be fixed arbitrarily and regardless of a level that could be maintained by free competition.

#### **How many kinds of monopolies are there?**

Three: (1) Natural, based on the control of some element of nature through the ownership of land, such as coal, water, gold, lumber, etc., or the exclusive right to natural facilities for transportation, such as a toll road, railroad, water-way, etc. (2) Legal, an exclusive government grant to do business, to control traffic, etc. (3) Capitalistic monopolies (trusts), which hold prices at arbitrary figures, or have the power so to do, through enormous capital, thus giving an advantage to an established plant over any new or prospective competitor.

#### **What is a corporation?**

A body authorized by law to transact business as an individual and having perpetual existence. The legal conception of a corporation is that, as a

ship remains the same ship although all its parts gradually be renewed by successive repairs, or as the human body remains the same body though it goes through frequent physical changes, so a separate legal body may remain the same body in spite of changes in its composition.

**What are essential to a corporation?**

- (1) Natural persons who are the incorporators.
- (2) Directors or trustees who have control of its affairs.
- (3) The corporation or artificial person created by law.

**Has a corporation citizenship?**

To the extent that it may sue or be sued in the federal courts and in a proper case remove its case from a state to the United States court. Otherwise the United States law does not deem a corporation a citizen of a state and it follows that a state may impose any terms on a foreign corporation as a condition of doing business within a state. This condition, however, must not interfere with interstate commerce or rights under the constitution.

**What is stock?**

The rights or interests of members of a corporation in its assets, legal privileges, managements and profits.

**What is capital stock?**

The amount fixed by law to be paid into the treasury of the corporation for use in its business operations.

**What are shares?**

The division of the total capital stock of a corporation, represented by certificates which are distributed to members of the corporation according to the amount of their subscriptions.

**How are shares of stock divided?**

In any amounts desired, the par value or full paid amount, being fixed by dividing the number of shares to be issued into the total amount of the capital stock, usually par value is \$100, but shares for other sums, as small as \$1 and in some cases even less, are issued.

**Must stock be issued at its par value?**

Not always, though many states make this the law.

**What is treasury stock?**

Shares not sold to subscribers, but held in the treasury of the corporation to be realized upon when necessary to raise funds.

**What is preferred stock?**

That class of stock which by law has preference in receiving dividends.



Generally the amount to be paid in dividends on preferred stock is fixed at a certain figure. After that amount has been paid other earnings must go to the common stock.

**What is common stock?**

That class of capital stock which is not preferred stock.

**What are dividends?**

The profits of the business of a corporation divided among its stockholders.

**What is "cumulative" stock?**

That class of stock, generally preferred, on which dividends accumulate perpetually, which charges, in the event of any postponement of payment, must be made up later, before profits can be paid on the common stock. "Non-cumulative" preferred stock does not accumulate this debt. Example: If an 8 per cent cumulative preferred stock does not earn enough to pay more than 4 per cent in a given year, the deficiency of 4 per cent must be made up later. Some corporations have owed as high as 40 or 50 per cent back dividends which had to be paid before the common stock could receive profits.

**Can shares of stock be transferred?**

Yes, upon proper endorsement; and a great business of selling stocks is done on the stock exchanges.

**How are dividends paid?**

The name of each person to whom stock is issued is recorded on the books of the company. Such a record owner of stock is termed a shareholder or stockholder. Dividends are paid to the owner on record. It may be, and often does happen, that dividends are paid to a record stockholder when some one else actually has the certificate of stock in his possession. This may be due to the loss of the certificate or to the sale of the stock after the dividend is due but not paid.

**What are securities?**

Generally speaking negotiable instruments or property making secure the enjoyment or enforcement of certain rights. Under this definition comes notes, checks, stocks, bonds, mortgages.

**What are bonds?**

Bonds are a special form of contract under which an obligation is made, generally to pay a certain sum of money under specified conditions. The most common form of bond is a promise to pay borrowed money under the security of a mortgage upon certain property.

**What are the different kinds of bonds?**

(1) Government. (In the United States, federal, municipal, state, county, school, water, council, etc.)

(2) Corporation bonds, which are generally secured by a mortgage on the property of the corporation, under which the bondholders may foreclose upon default of payment of principal or interest to satisfy their claims.

**What are some of the classes of bonds?**

There are all sorts of bonds and the different classes are so mixed and complicated as to be bewildering. Some of the principal kinds are: (1) First mortgage bonds, which have first lien on the property of the corporation in the event of default; (2) Second mortgage, which rank after first mortgage; (3) Collateral trust, which are secured generally by the deposit of stock of another corporation; (4) Income bonds, which simply are a sort of extra preferred stock, being entitled to interest or other payments if earned only after preceding bonds are satisfied; (5) Prior lien bonds, which as the name suggests are placed ahead in the matter of preference of some other definite issue; (6) Convertible bonds, generally a first mortgage bond which has the privilege of conversion into stock of the company at a certain price; (7) Underlying bonds, which are generally first mortgages against the property of a company which in turn, through being the property of another company, has its bonds guaranteed by the parent corporation; (8) Debentures which are of various sorts below a first or second mortgage bond. Many other kinds of bonds have special titles because of some peculiar sort of security back of them.

**What is the distinction between stocks and bonds?**

Stocks represent ownership of the corporation; bonds represent a debt against the company. Stockholders manage the company, vote to elect officers, etc., and divide the earnings. Bondholders have lent the corporation money and have taken a mortgage against its property, which if not paid, or the interest thereon, will go to satisfy claims of the bondholders.

**What is interest?**

The value given in return for the use of other value, generally a stipulated percentage in money on money lent out.

**What is a mortgage?**

An instrument which provides for legal measures by which property may be sold to satisfy the contract under which the mortgage was given and which the property in question was to secure.

**What is foreclosure?**

The process by which property under mortgage is seized and sold in order to raise funds to pay a contracted debt or forfeit.

**What forms are bonds issued in?**

Usually in amounts of \$1,000 each, although they are sometimes issued as low as \$100 or \$500.

**What are registered bonds?**

Those whose interest is payable only to bondholders on record on the books of the corporation.

**What are coupon bonds?**

Those bonds which are made out with small tickets or coupons attached and whose interest is payable to the bearer who presents these coupons. From this has arisen the phrase "coupon cutting," suggesting riches by reason of clipping off the coupons to present for payment when due. These may be payable at a bank or at the office of the corporation.

**What security is back of government bonds?**

Often none, but the confidence of the people, for a state or the federal government cannot be sued. Several states have defaulted on bonds. In minor subdivisions, such as cities, school boards, etc., the credit of the issuing body is preserved by limiting the amount of bonds to be issued under law according to the amount of taxes collected.

**What is a stock exchange?**

A market place where investments are bought and sold. In Vienna and Berlin such a market is called a boerse; in Paris, St. Petersburg and numerous other foreign cities a bourse.

**How are investments bought and sold on the stock exchange?**

By the transfer of the certificates of stocks or bonds for a consideration from a stockholder or bondholder to a purchaser, who then becomes the stockholder or bondholder. Only members of the stock exchanges, which are private corporations generally, have the right to do business on the exchanges. Their business is generally that of agents to buy or sell investment certificates for customers. For this they charge a commission—generally one-eighth of one per cent for each transaction.

**What is a broker?**

In this country a broker is any one who transacts business for another for "brokerage" or commission; but generally speaking it pertains to mem-



bers of boards of trade or stock exchanges, who do business on such boards or exchanges for the public.

#### **What is a board of trade?**

A board of trade is very much like a stock exchange; a private corporation of limited membership which constitutes a market place for the selling of many commodities, generally produce, such as grain, hay, cotton, hog products, coffee, butter, eggs, etc.

#### **What is speculation?**

In its broadest sense speculation is the taking of any risk in business in the belief that embracing a certain opportunity will return good profits. A man who buys up a large tract of timber land, believing that in a number of years lumber will be scarce and that he can cut his timber to a good advantage, is a speculator. The same is true of a man who, knowing that a railway will come through a certain section of the country, buys up a tract of land in the belief that when the railway has been built it will enhance the value of the ground he has purchased. Generally, however, the public when it speaks of speculation refers to buying or selling of stocks or bonds or grain, provisions, etc., in the hope that changes in prices will bring profit. In this kind of speculation the stock exchanges and boards of trade lend themselves most freely because of their highly organized machinery for trade.

#### **What are futures?**

Futures are contracts of any description, but generally those on the boards and exchanges, which call for the sale or delivery of certain described property at a given time, place and price in the future.

#### **What are margins?**

Margins in the technical sense are deposits of money or securities of wealth which are part purchase money of a contract on an exchange or board transaction and which are guaranty of good faith in the transaction. Generally, though not always, a margin is from 5 to 10 per cent of the amount of the consideration in the contract. Property purchased on margin must be paid for by some one acting as broker or agent; in that case the difference between the amount of margin and the purchase or sale price is practically a mortgage on the property bought or sold. If the property changes in price enough to threaten the safety of the money the broker has advanced, he calls for further margins from the customer. In the event of default or refusal to pay, the broker completes the original transaction by

selling or buying the property in order to reimburse himself. If there is any balance left in margins, that goes back to the customer, just the same as in the foreclosure of a mortgage. If there is a deficit the customer is legally liable, though often it cannot be collected.

#### **How can a speculator sell something he does not own?**

Any person can make a contract to do a certain thing at a future time, such as to deliver steel rails to build a railroad, brick to build a house, coal to burn next winter, etc. So may one contract to deliver thousands of bushels of wheat next year. Warehouses are full of grain and the contractor for future delivery knows he can buy warehouse receipts for grain thus stored at any time by paying the current market price. Hence he may make a contract to deliver wheat, corn, oats, cotton, coffee, pig iron, steel, or stock or bonds, though he does not own any, for, provided he does not have the commodity he sells when the contract falls due, he can purchase the wherewithal to fulfill his contract in the open market at that time.

#### **Why are transactions of this sort made?**

Largely for speculation, but also largely to insure the contractor against loss. Example: If a farmer is raising a crop of wheat and he has reason to believe he will have a big crop (which ordinarily will bring low prices) and current prices for contracts due at the time when his crop can be harvested are high, he wants to sell at a good advantage. Therefore he makes a contract for future delivery. If his crop matures he delivers the wheat and secures his price. If it fails, he has to buy from those who have wheat, enough to fulfill his contract.

#### **What is a bull?**

In speculative terms a "bull" is one who believes conditions in the market of any commodity or security warrant higher prices. If he is active in the market his efforts are to advance prices, so that later he may sell his holdings or contracts at a profit.

#### **What is a bear?**

A "bear" in a speculative sense is the term applied to a speculator who believes conditions warrant falling prices. Therefore he speculates to depress prices in order to secure profits by selling something he does not possess with the expectation of being able to buy in the open market at low prices the commodity with which to fill his future contract sold at a higher level.

#### **What is a corner?**

In a suppositious case a "corner" is the state of a market when a speculative

party has bought up contracts for delivery of the entire visible supply of a commodity, or has all the actual supply of the commodity in its possession. Actually, there are few "corners" save in property that is very limited in extent. The purpose of a "corner" in speculation is to acquire this control of certain property and create a demand in excess of this supply; then the price of the amount controlled can be raised to an arbitrary and even highly fictitious level, at which the speculators sell to the consumers. In creating such a condition speculators generally rely upon other speculators making contracts to deliver something they do not possess, and then force such a seller to settle his contract at high prices or be in default. "Corners" are the dread of exchanges and boards of trade and such a violent dislike to such speculative tactics has arisen that frequently such deals are taken to court rather than to submit to money bleeding.

#### **What is long?**

When a speculator is "long" of stocks or grains or the like he has made a purchasing contract and is the legal owner of such property. Generally this term is used to indicate purchases on marginal accounts and not property owned outright on which there is no obligation outstanding.

#### **What is short?**

To be "short" of stocks or grain or other speculative property indicates that the speculator in question has made a contract to deliver the property at a certain date when he does not possess such property. In other words he has sold something which he has not.

#### **What is covering?**

A speculator "covers" when he buys in the property with which he fulfills a "short" contract.

#### **What is liquidation?**

Liquidation is turning property into liquid or cash assets: the closing up of a business deal. When liquidation is said to be in process in a speculative market "longs" are selling out their property. "Realizing" is another term that means the same thing, though "realizing" generally suggests simply selling out something in which the speculator has made a good profit which he is willing to take, and "liquidation" suggests selling under necessity to prevent loss, or the like.

#### **What is stop loss?**

When a broker is transacting speculative business for a customer on marginal account and margins are running out—that is the market price is going contrary to the speculative contract and a loss seems imminent—more margins



may be called for. If the further margins are not forthcoming, the broker is empowered to close out the contract in the market at the best advantage possible. Generally such an order placed in the market is called a "stop" order—that is, it is intended to prevent any further loss. A "stop loss" order, however, may be put in by the speculator himself to save himself against loss beyond a certain point. A "stop" order even may be put in the market when there is a good profit in a transaction, so that if the price begins to go contrary to the deal all the profits will not be wiped out. In "stop" orders a specific price is named at which to "stop" the deal, but if the price continues to go against the deal before all the order is closed out the customer must stand the loss. In a bad market it is not uncommon to see price of a stock fall \$10 a share when the stock is being sold on a "stop loss" order.

#### **What is a pool?**

A pool is an association of men or corporations, bound by some understanding or agreement, to act in concert in a business enterprise generally for the sake of profits, which usually are divided proportionately among them. In railway traffic a pool is a number of companies which may agree to maintain certain freight rates in a given territory, each road to share a certain amount of the returns. In iron and steel products there are pools which agree to maintain prices at a given level; sometimes they agree as to the amount of tonnage each member of the pool is to receive. In speculation a pool is made up of a number of speculators, banks perhaps included, which may buy, say, a given amount of stock of a corporation for the purpose of advancing the price, by manipulation or otherwise, and afterwards sell out and divide the profits.

#### **What is a syndicate?**

A syndicate in the speculative sense is a little different from a pool. Usually it indicates great importance and magnitude. The term is most frequently used in connection with underwriting the securities of a company. The purpose of such a syndicate or pool is to agree to underwrite the securities at a given price and to sell them to the public. Such a syndicate usually gets all the stocks or bonds of the corporation that are to be sold and in a way is the company's official representative.

#### **What is underwriting?**

When a corporation needs to raise money it usually does so by selling stocks or bonds. Bankers and brokers who are in the business of marketing securities can sell these stocks or bonds to the best advantage. Therefore the corporation agrees to turn over to a syndicate the securities to be sold at a certain price.

This is called underwriting. The syndicate sometimes is made up of many members who agree to turn over to the corporation certain amounts of cash for the stocks or bonds as called upon to do so by the corporation. Then the syndicate, which is managed by some big bond, stock or banking house, markets the securities and divides the profits, or if the venture is unprofitable, divides the loss.

**What is an assessment?**

When a syndicate or company needs funds which it has a right to call from members or stockholders, such a call for money is termed an assessment.

**What is a company reorganization?**

Frequently corporations find themselves in danger of bankruptcy because earnings are not great enough to pay such expenses as interest on the bonded indebtedness, or the like. When this is the case there is usually some attempt at preventing bankruptcy. The first thing needed is money to place in the treasury of the company. If the prospects of the company would be improved enough more by advancing such cash to tempt financiers to supply the needed funds a reorganization of the company's finances is usually undertaken. Often this process includes reducing the capital stock of the company already existing, or perhaps wiping it out altogether. Then certain securities may be issued to those men who will advance money to keep the corporation in working order. Such a reduction of stock or bonds usually is called "scaling down" and the money if raised by order of, say a majority of the stockholders, is found by "assessing" the stock.

**What is a merger?**

A merger in the present-day sense of the word is the joining of two or more companies, or business concerns, to do business under one head. Usually this is applied to the junction of corporations.

**What is a holding company?**

When government regulation declared against pools or agreements between certain concerns in the same industry working "in restraint of trade"—in short, ruled against trusts—corporation lawyers discovered a method of bringing these concerns together legally by incorporating a company which should buy up at least a majority of the stocks of the corporations which desired to work together. This is called a holding corporation. Its business is to collect the profits from the earnings of the other corporations it owns through dividend payments and to pay dividends from funds thus collected out to its own stockholders. The other companies are called "underlying" corporations. They are

supposed to manage their own business, but the managers of the holding company really exert a great influence on this business, because, being in control, they can appoint managers to do their bidding. Legally an "underlying" company is separate from the holding company.

**What is a gentleman's agreement?**

A compact between railway managers or similar corporation chiefs not to cut rates or to carry on wasteful competition.

**What is a community of interest?**

The method of harmonizing competing interests, especially in railway business, whereby perhaps directors of several concerns will join the directory of one common company and through that company carry out agreements to prevent serious competition. The Union Pacific railway company has been a remarkable example of such an alliance; at one time Harriman, Rockefeller, Gould and Vanderbilt interests were represented on this board. One method of carrying out practical communities of interests is an exchange of dividends, which makes all parties conserve the common interest of the community.

**What is a lamb?**

In the vernacular of speculators, a lamb is one who ventures to speculate for the first time or who is possessed of so little information that he is likely to become victimized by unscrupulous men. A lamb is "sheared" when he loses his money.

**What is kite-flying?**

Extending one's credit in business to a very dangerous point. This often suggests illegal measures, such as issuing fictitious checks or the like.

**What is a blind pool?**

In speculative terms, this is a pool, all the members of which are ignorant of its operations, except the pool manager.

**What are privileges?**

Options bought or sold in speculative markets requiring or granting the privilege of accepting or delivering a certain commodity within a given period at a stipulated price.

**What is a put?**

A privilege to deliver on a contract within a certain period at a given price. For instance: if a speculator has bought a "put" for 100 shares of United States Steel preferred at par good for thirty days, he has an option to deliver these shares at \$100 each any time before the thirty days expire. If the price of Steel preferred falls to 95 while he has such a privilege he can



make the profit between these prices. Often one who has either an investment or a speculation on the buying side of the stock market will buy "puts" at a nominal expense in order to protect himself against a falling in prices. The seller of a "put" on a stock or other speculative commodity evidently believes in the value of the commodity at the price at which it may be "put" to him.

**What is a call?**

A call is almost the reverse of a put. That is, the buyer of a call has the privilege of calling upon the seller to deliver the commodity stipulated within the given time and at the price agreed upon. In this case, if the market price has advanced, the holder of a call is privileged to demand delivery of the commodity at the lower price and of course he could sell it at once at a profit in the open market.

**What is a spread?**

This sort of privilege is an option by which the holder either can call in the stocks, grain or the like at one figure or put it out at another. All these forms of contracts mentioned as privileges are virtual bets on the market price, but they also serve as a sort of insurance against losses in heavy obligations by the man who is in the market all the time. The seller of privileges makes his profits when the market fails to move against the privileges he has put out.

**What is a capitalist?**

In the narrowest sense, a capitalist is one who deals in cash or investments of a character that suggests the man has retired from business. More broadly speaking, he is the one who furnishes the means—such as working capital, tools, fixed capital or machinery, etc.—which when used by labor produces any wealth.

**What is labor?**

This term in its narrowest sense means the output of physical effort to produce something. In a broader sense, however, labor is the expenditure of any sort of energy to produce something. This may be physical or mental or both. In present day discussion of labor and capital there is frequent reference to the managing director. This is the representative generally of the capitalist who has his money invested in an enterprise. He also is a laborer in the sense that he is the active head or leading executive who guides the workmen in their efforts for production. Often the managing director is interested financially in the business. He may even be the capitalist and head workman combined.

**What is manipulation?**

Generally this is a speculative term meaning artificially changing the prices of stocks, grains or other commodities for the purpose of attracting other speculators to speculate on what appears to be developing in the market, but which generally is otherwise. Methods of manipulation are various. A "rigged" market suggests manipulation so flagrant that any one can readily discern it. "Washed sales" are fictitious sales made between the principal and his broker, or brokers, for the purpose of establishing a false but official price. A "matched order" is a similar device of manipulation where an order to buy a certain commodity is put in at the same time that an order is put in to sell by the same person.

**What is a bucket-shop?**

A bucket-shop is an establishment got up to imitate a reputable broker's office. All the devices and machinery of regular investment or speculation seem to be present, but in reality the bucket-shop is got up solely to gamble with. The keeper of the place almost never is a member of the established exchanges. The salient feature of bucket-shop methods is that when an order is put in such a place to buy or to sell something the order is never executed. If the trade is profitable for the customer the bucket-shop itself pays the loss until the loss becomes large; then the concern goes into bankruptcy. If, on the other hand, the imitation market transaction is a losing one for the customer of such a dive, the bucket-shop keeper rakes in the profits. One of the features which attracts people to these gambling places is the fact that this so-called "speculation" can be done in very small amounts. But this feature is one which reaps golden harvests for the crook. For small deposits of cash mean small margins. If small margins are put up they will be the more readily wiped out by the most trifling fluctuation in prices. When there is an active advancing market in stocks many ignorant or innocent people flock to these bucket-shops. Oddly enough, it is in such a time that many bucket-shops fail, for the reason that the public always prefers to buy rather than to sell in speculation, and if the public strikes the bull movements in the market correctly the bucket-shop must suspend to save itself.

**What is a partnership?**

That relation resulting from an agreement between two or more competent persons to join forces of capital, ability, or labor, or all, in some enterprise and to divide the profits. This is the same thing as a copartnership. Sometimes the partners are referred to as the "firm" or the "house."

**What is a limited partnership?**

A special sort of agreement under special laws of certain states whereby, for reason of the investment of a less sum than general partners, the special or limited partner is liable only for a stipulated amount of debts; whereas in a general partnership each member of the firm is liable for all the debts.

**What are the liabilities of a corporation?**

Under the common law the members of a private corporation were not liable for corporate debts or obligations. In case of bankruptcy they would lose all their investment in the stock. This holds generally true now, save where special charters are granted which make stockholders individually liable for all debts of the corporation. Usually, however, the stockholder is liable simply for an amount equal to his stock. This particularly is true of national banks, where if a stockholder owns \$1,000 worth of stock and the bank fails, the stockholder is liable to the extent of another \$1,000.

**What is the curb?**

This is a term used to indicate a place where speculative trading is done other than on a regular exchange or board of trade. Apparently the term arose through the making of transactions on the street curb near the exchange. In New York the curb market is actually in the middle of Broad Street, where, rain or shine, brokers fill orders without cover. In Chicago the curb is any place off the exchanges where bona fide transactions are made.

**What were the first banks?**

The first banking institution of modern times was the Bank of Venice, organized in 1157 and made up of a number of wealthy men of Venice who for lending money to the government were allowed to do a banking business. It went out of business in 1808. The Bank of Amsterdam was a model for many modern banks; it was established in 1609 and failed in 1790. The great Bank of England, the greatest in the world, was established in 1694. It grew out of the necessities of the English government to raise £1,200,000. By furnishing this sum the incorporators were allowed to issue notes. The Bank of France was organized in 1800. The Imperial Bank of Germany was established in 1875, but it had done business as the Bank of Prussia as early as 1765. The first savings bank was established by the Reverend Henry Duncan at Rothwell, Scotland, as the Savings and Friendly Society. The Bank of North America was established Dec. 31, 1781, by the Continental Congress, and the several states were forbidden to establish a rival during the Revolutionary War. The first bank of the United States was incorporated in 1791.



## CHAPTER XXXI

### THE SENATE OF AMERICAN FINANCE.

*The Directory of Directors—Extreme Concentration of Corporate Organizations—Ninety Men Control the Purse Strings of the Country—Fifty-seven Members of the Money Senate—Abuses in the Directory System.*

WE HAVE already seen how twenty-three men in the National City Bank board of directors represent interests that control about one-tenth of the wealth of all the United States. We have seen how Standard Oil influences have dominated billions, and how the interlacing of the powers back of the great insurance and railway organizations, while competing with each other, are friendly enough to mass together for common interest and protection when the need arises. It still remains, however, to link all these main influences of finance, commerce and industry which commonly are termed trusts into one big family in order to show to what position the tendency of extreme concentration has brought the wealth of the United States.

In the principal financial centers of the country one can find a volume called the "Directory of Directors." That of New York City is the largest because the greatest financial interests of the country center there. In this book will be found a list of all the men who occupy positions upon the board of directors of any corporation in that city. A short perusal of this volume will show some marvelous things, among others that there is a business oligarchy as definite and powerful as any political machine that ever ruled modern affairs or any old-world royalist regime that crowned a puppet king. One competent authority likens this modern body of representatives of the people's wealth to the highest representative body in American politics and dubs it "the senate of American finance." And in speaking of the power of this clique or business oligarchy the Wall Street Journal has said, "It would not be too much to say that they are more powerful than the ninety men who constitute the senate of the United States, for they who control the purse-strings of the country—its productive and distributive energies—control the country."

Now for a few detailed facts. If we run through the "Directory of

Directors of New York" we learn that it is common custom for one man to serve in many corporations in the capacity of director—that is, to be the active managing overseer and careful judge of the investors of the country who put their savings in the securities of these corporations. If we watch closely enough we find that in hundreds of cases the names of the directors are those of clerks in the office of some trust company which does business for the corporation in question, or of those in the office of one of the big money or industrial kings. Such are "dummies," paid to direct at the dictation of the masters, to vote on great and momentous questions at command and to run at the beck and call of those in control. It is not of these that "the senate of American finance" is made up.

If we examine a little further we find names that recur again and again in most of the big companies of the country, names that to the ear are familiar. We see by comparisons that these are they whose hired servants act as "dummies." If we compute the number of places on the board of directors of each of the principal corporations of power in finance, commerce and industry—concerns that hold one-fifth of the wealth of the country in their power—we find the total to fall short of 1,500. Now, it does not follow that all these places are filled by separate men. That is decidedly what does not happen in this age of concentrated power. On the contrary, about 1,000 men are the representatives of the ninety-two principal corporations and partnerships—banking houses, banks, trust companies, life insurance companies, railways and industrial and miscellaneous concerns—which we have under examination. Nearly one-third of these directorships—410 in number, to be exact—are filled by 72 men. Not one of these men holds a place on less than two boards of directors and many of them hold 10 to 25 positions, testifying to their widespread influence. Let us see what interests these seventy-two men dominate. Among financial houses and companies they wield almost entire control of:

J. P. Morgan & Company,	} Who are bankers extraordinary to the Money Trust, Railway Trust, Life Insurance Trust, etc.
Kuhn, Loeb & Company,	
Speyer & Company,	

Mutual Life Insurance Company, of New York,	} "Big Six," or Life Insurance Trust.
Equitable Life Assurance Society,	
New York Life Insurance Company,	
Metropolitan Life Insurance Company,	
Prudential Insurance Company of America,	
Provident Life and Trust Company,	

National City Bank, New York,  
First National Bank, New York,  
National Bank of Commerce, New York,  
National Park Bank, New York.  
American Exchange National Bank, New York,  
Hanover National Bank, New York,  
Chase National Bank, New York,  
Corn Exchange Bank, New York,  
Chemical National Bank, New York,  
Fourth National Bank, New York,  
Citizens Central National Bank, New York,  
Seaboard National Bank, New York,  
Manhattan Company, New York,  
Bank of New York,  
First National Bank, Chicago,  
Continental National Bank, Chicago,  
Commercial National Bank, Chicago,  
National Shawmut Bank, Boston,  
Philadelphia National Bank,  
Fourth Street National Bank, Philadelphia,  
Third National Bank, St. Louis,  
United States Trust Company, New York,  
Union Trust Company, New York,  
New York Security and Trust Company,  
Morton Trust Company, New York,  
Guaranty Trust Company, New York,  
Farmers' Loan and Trust Company, New York,  
Central Trust Company, New York,  
Mercantile Trust Company, New York,  
Illinois Trust and Savings Bank, Chicago,  
Old Colony Trust Company, New York,  
Union Trust Company, Pittsburg,  
Industrial Trust Company, Providence, R. I.,

The Money Trust  
of America.

Consolidated Gas Company, New York, }  
Brooklyn Rapid Transit Company, } New York public utilities trust.  
Interborough Rapid Transit Company, }



Pennsylvania Railway,  
 New York Central,  
 The Erie,  
 Delaware, Lackawanna & Western,  
 Lehigh Valley,  
 Delaware & Hudson,  
 Baltimore & Ohio,  
 The Reading Company,  
 Chesapeake & Ohio,  
 Louisville & Nashville,  
 Atlantic Coast Line,  
 Northern Pacific,  
 Union Pacific,  
 Missouri Pacific,  
 Great Northern,  
 Atchison, Topeka & Santa Fe,  
 Chicago, Milwaukee & St. Paul,  
 Illinois Central,  
 Wabash,  
 Southern Pacific,

The Railway Trust.

Armour & Co.,  
 Nelson Morris & Company,  
 National Packing Company,  
 Swift & Company,  
 United States Steel Corporation,  
 Standard Oil Company,  
 American Sugar Refining Company,  
 American Telephone and Telegraph Company,  
 American Tobacco Company,  
 Central Leather Company,  
 International Mercantile Marine,  
 International Paper Company,  
 International Harvester Company,  
 General Chemical Company,  
 Pullman Company,  
 National Biscuit Company,  
 Associated Merchants Company,  
 American Smelting and Refining Company,

Great industrial trusts  
of America.

Following are the names of the members of this "senate of American finance":

James W. Alexander,  
 Oliver Ames,  
 J. Ogden Armour,

John Jacob Astor,  
 Geo. F. Baker,  
 August Belmont,

E. J. Berwind,  
 Cornelius N. Bliss,  
 A. N. Brady,  
 A. J. Cassatt,  
 John Claflin,  
 Dumont Clarke,  
 T. Jefferson Coolidge,  
 F. Cromwell,  
 Chauncey M. Depew,  
 J. F. Dryden,  
 Marshall Field,  
 Louis Fitzgerald,  
 H. C. Frick,  
 Geo. J. Gould,  
 E. H. Gary  
 C. A. Griscom,  
 James J. Hill,  
 E. H. Harriman,  
 Edwin Hawley,  
 H. L. Higginson,  
 J. H. Hyde,  
 H. O. Havemeyer,  
 G. G. Haven,  
 E. C. Hoyt,  
 Adrien Iselin, Jr.,  
 A. D. Juilliard  
 J. N. Jarvie,  
 John S. Kennedy,  
 Charles Lanier,  
 J. A. McCall,  
 R. A. McCurdy,  
 D. O. Mills,  
 W. H. Moore,

Levi P. Morton,  
 J. Pierpont Morgan,  
 E. B. Morris,  
 John J. Mitchell,  
 W. G. Oakman,  
 A. E. Orr,  
 Daniel O'Day,  
 Geo. W. Perkins,  
 M. Taylor Pyne,  
 C. A. Peabody,  
 C. M. Prevost,  
 John D. Rockefeller,  
 Wm. Rockefeller,  
 H. H. Rogers,  
 Thos. F. Ryan,  
 Norman B. Ream,  
 Samuel Rea,  
 S. R. Shipley,  
 James Speyer,  
 E. T. Stotesbury,  
 J. H. Schiff,  
 Samuel Spencer,  
 Charles Steele,  
 James Stillman,  
 Samuel Sloan,  
 L. F. Swift,  
 H. McK. Twombly,  
 W. K. Vanderbilt,  
 F. W. Vanderbilt,  
 P. A. Valentine,  
 John I. Waterbury,  
 W. S. Webb,  
 Henry Walters.

Even this business oligarchy can be reduced in number by eliminating some of the names which represent important interests and still the domination of American industry would be practically as complete, for these great interests still would be largely controlled by those remaining. If we omit some of the actual heads of the Beef Trust and other western magnates we can reduce the number from seventy-two to fifty-seven. And even in the list of fifty-seven directors representing nearly 1,500 directorships, eleven men serve 553 times as directors, or on an average of over fifty each. The preceding list brought down to the more exclusive body of fifty-seven members of the "senate," with

the lowest representation numbering six, the highest seventy-four, and the average directorships filled by each about twenty-five, is shown in detail, with the number of positions filled as follows:

James W. Alexander.....	13	Louis Fitzgerald .....	7
John Jacob Astor.....	16	George J. Gould.....	52
George F. Baker.....	42	E. H. Gary.....	41
August Belmont.....	25	C. A. Griscom.....	16
E. J. Berwind.....	26	James J. Hill.....	12
Cornelius N. Bliss.....	6	E. H. Harriman.....	49
A. N. Brady.....	47	Edwin Hawley .....	26
John Claffin.....	16	James H. Hyde.....	47
Dumont Clarke.....	24	H. O. Havemeyer.....	13
F. Cromwell.....	17	G. G. Haven.....	29
Chauncey M. Depew.....	74	E. L. Hoyt.....	6
J. F. Dryden.....	10	J. N. Jarvie.....	12
Adrian Iselin, Jr.....	27	Charles Lanier .....	18
H. H. Rogers.....	25	John A. McCall.....	11
Thomas F. Ryan.....	27	R. A. McCurdy.....	15
J. H. Schiff.....	17	D. O. Mills.....	33
Samuel Sloan.....	31	W. H. Moore.....	11
Samuel Spencer.....	24	Levi P. Morton.....	10
James Speyer.....	17	J. Pierpont Morgan.....	39
Charles Steele.....	32	W. G. Oakman.....	27
James Stillman.....	55	A. E. Orr.....	29
E. T. Stotesbury.....	31	Daniel O'Day .....	24
H. McK. Twombly.....	46	George W. Perkins.....	11
W. K. Vanderbilt.....	56	C. A. Peabody.....	19
F. W. Vanderbilt.....	44	M. Taylor Pyne.....	25
John I. Waterbury.....	16	Norman B. Ream.....	30
W. S. Webb.....	19	John D. Rockefeller.....	8
Henry Walters.....	15	William Rockefeller.....	31
J. S. Kennedy.....	15		

Without going into a long discussion of the merits of such a business system as permits this concentration of business trusteeships in the hands of such a small number of men, especially in this day of stock market manipulation, it may be said that the question has been asked more than once whether it is right that temptations of this sort be placed before men. To be sure, generally speaking, the names here mentioned are considered of the highest in the land. But the authority quoted previously asks pertinently, "Does this exhibit mean anything? It may be taken for granted that every one of these men is amply qualified by his wealth, his business training and administrative abil-



ities to serve as director. Their names are a tower of strength to any corporation, a fine advertisement to it. These men do not belong to the class of 'dummy' directors in the sense of being mere pawns for the real owners of the properties, mere machines responding to the call of an electric button. They are great capitalists, masters in the financial world. But is it right that there should be eleven men serving 553 times as directors, and fifty-seven whose aggregate directorships are 1,460? Is it possible that any one man can direct, really direct, twenty-five to fifty corporations situated in different parts of the country and engaged in different kinds of business? Can he ever in any true sense serve as advisor for so many different institutions?

"James J. Hill recently refused to serve on the committee to investigate the Equitable, stating that he was too busy. A reference to the foregoing table shows that Mr. Hill is a director in only twelve companies, a modest employment for a man of his prominence. Yet E. H. Harriman, who is a director in forty-nine different companies, did not hesitate to accept a place on this committee, and would no doubt have taken upon himself the responsibility of acting as its chairman if he had been asked. Mr. Harriman has the time to serve as director of about thirty railway companies, four or five electric traction companies, a half dozen steamship companies as well as of banks and trust, insurance and telegraph companies. He has interests in nearly every state of the union, and is credited with having such power over the politics of New York as to be able to dictate the re-election of Senator Depew. Yet he finds time to reform the Equitable! Mr. Depew has so much time left on his hands after looking after the seventy-four corporations of which he is director that he is able to represent the state of New York in the senate.

"There is evidently something wrong in this state of things. It is a perversion of the director system. It is liable to grave abuses. It is a convenient method of concentrating power, but it must result in directorships being used, to a dangerous extent, for personal gain, instead of being a trust for others. It is absurd to say that any man, however great his ability, can in any true sense serve as a director in as many as fifty corporations. This is one of those developments of the past twenty-five years which by revolutionizing the conditions under which great business is conducted have produced new problems to be solved."

## CHAPTER XXXII

### WHO OWNS THE UNITED STATES?

IN A modest, old-fashioned building in Wall Street, so modest that it seems out of place in the locality of the canon-like streets of America's great financial center, there gather occasionally about a directors' table twenty-three men who all but own the United States. They are the directors of the National City Bank of New York City, the greatest bank of America, and they represent a total financial power of \$11,000,000,000, or about one-tenth the entire wealth of the United States.

It would be incorrect to state that these men arbitrarily could dispose of this vast amount of wealth, but their judgment would go far toward deciding the destinies of the nation in respect to its financial welfare. Indeed, they are almost what public opinion has called them, "money kings," whose subjects in a sense are the people whose savings are employed to carry on the great industries of the country. Their names are known the world over, for they stand for all that is great in finance and commerce. Even the law-makers of the country listen to what they say, for these twenty-three men represent the trusts of America.

*Civilized Nations Report 82,640,000 People Saving up Money for Old Age—  
Deposits are \$10,500,000,000—United States Leads with \$3,060,178,611.*

The people of the United States of all classes and of almost every stage of life are notoriously great spenders. Compared with the frugal German and the economic Frenchman Americans cannot be said to be great savers. We as a people are lavish with our expenditures and the Frenchman, who always figures on having a surplus from his income, well may shame us who as a nation have piled up great wealth not by economy, but by the marvelous richness of material resources such as ores in our mines, fertility in our soil and ingenuity in the brains of our people to invent new ways of producing wealth.

Nevertheless, this country actually is the greatest nation of savers, according to the banking statistics, that exists today. For of a total of over \$10,500,000,000 of savings bank deposits of the principal countries of the world the United States claims \$3,060,178,611, or over 29 per cent of all. The number of savings depositors of the principal countries of the world is 82,640,000, of which the United States furnishes 7,305,000, or about 9½ per cent. When it is considered that the figures here compared cover about one-half the population of the world, namely over 770,000,000, it will be seen

how great a factor the United States is in the actual savings of the whole world. Of the total number of depositors, or, rather, deposit accounts, the share of the United States is somewhat less than 9 per cent, while the average deposit per account is more than four times, and the average savings per inhabitant more than three and one-half times, the corresponding averages for the rest of the world.

Let us glance at the following table of the number of depositors, total amount of deposits, the average deposit accounts and the average deposit per inhabitant in all those countries which publish reports on the state of their savings institutions:

	NUMBER OF DEPOSITORS.	TOTAL DEPOSITS.	AVERAGE DEPOSITS.	AM'T PER INHAB'T.
Australia .....	1,086,018	\$ 164,161,981	\$151.15	\$43.47
Austria .....	4,946,307	876,941,933	177.29	33.47
Belgium .....	2,088,448	141,851,419	67.92	20.37
Canada .....	213,638	60,771,128	289.14	10.99
Denmark .....	1,203,120	236,170,057	196.29	96.41
France .....	11,298,474	847,224,910	75.01	21.75
Germany .....	15,432,211	2,273,406,226	147.38	39.98
*Prussia .....	9,377,503	1,485,793,500	158.44	43.10
Holland .....	1,330,275	72,738,817	54.83	13.60
Hungary .....	1,717,515	432,810,515	251.91	21.92
India, British .....	866,693	34,656,371	39.98	.15
Italy .....	6,740,138	482,263,472	71.55	14.52
Japan .....	7,467,452	40,887,186	5.48	.90
New Zealand .....	261,948	38,332,823	146.34	49.61
Norway .....	718,823	89,633,481	124.69	39.94
Roumania .....	145,507	7,426,031	51.04	1.26
Russia, including Asiatic part	4,950,607	445,014,951	89.90	3.16
Finland .....	226,894	21,144,278	93.19	7.60
Sweden .....	1,892,586	151,480,442	80.54	29.14
Switzerland .....	1,300,000	193,000,000	148.46	62.26
United Kingdom .....	11,093,469	966,854,253	87.15	22.82
British colonies not elsewhere stated .....	354,275	32,936,217	92.97	2.78
Total .....	75,334,398	\$ 7,609,706,491	\$101.01	\$11.00
United States .....	7,305,443	3,060,178,611	418.89	37.38
Grand total .....	82,639,841	\$10,669,885,102		

\*Not included in the total.

It is interesting to note that in Europe, and even in Canada, the functions of the government in this field are larger than in this country where the state



restricts itself merely to formulating the general legislation pertaining to the subject, sanctioning special charters for the creation of savings banks, and controlling through special officers the workings of these institutions. European governments in many cases have shown greater interest in this mode of popular savings, either by guaranteeing the safety of deposits or by instituting government institutions, chiefly postal savings banks for the receiving and managing of savings deposits. In some countries, such as Russia, Bulgaria and Roumania, the lack of private initiative and the preponderating influence of the state in the entire economic life of the nation have caused the development of public savings banks to an almost exclusive extent. In other countries, such as Germany, Switzerland and France, the local public bodies, such as the communes or cantons, from the very outset invited and fostered the deposits of small savings by establishing municipal savings institutions. Wherever the central government is in immediate, though not exclusive, charge of the savings service, as in the United Kingdom, Belgium and Russia, parts of the deposits are invested in government securities, so that the public savings institutions there serve the double purpose of providing a safe investment for the capital of the less-well-to-do and commercially inexperienced class of the population, as well as of strengthening the public credit of the country by attracting investments on the part of such classes which left to their own initiative might not choose this, or for that matter, any other mode of investment.

The common feature of all savings banks, no matter how organized, is that they are not working for profit, the underlying idea being to make the deposits as secure as possible. This results naturally in an interest rate on deposits considerably below the normal commercial rates prevailing in the respective countries. The figures shown in the foregoing table reveal different degrees of what might be termed the "saving capacity" of the different nations, though it always should be borne in mind that the amounts deposited with savings banks by no means represent the only savings of a nation. Another factor which makes comparisons difficult is the fact that apart from differences in legislation leaving to these institutions a greater or smaller latitude or freedom of investment, the regulations regarding the maximum amounts which may be credited to one individual vary according to country, and that therefore the average size of the savings deposit casts but little light on the general prosperity of the people and the more or less equitable distribution of wealth among them.

The general social conditions of a country, the spread of general educa-

tion and "banking" habits among the masses, existing facilities of communication, the ease and lack of formalities with which savings are made and, last, but not least, the use made by the population of other modes of saving—all these factors have to be considered when international comparisons of savings statistics are attempted. To give but a few examples: The total savings deposits of France, as already seen, appear less than those of Austria, while the aggregate savings deposits of Prussia are shown to exceed those of France by almost eighty per cent. In France savings deposits constitute but a part, and by no means the larger part, of the total savings of the nation. As a matter of fact, the investments of the French people in Russian public bonds during the most recent period only, not to mention the holdings of the enormous national debt at home, according to most conservative estimates, exceed by far the amounts deposited in national savings institutions. In the case of Austria, the figures furnished here are somewhat misleading, since the postal savings banks of that country are engaged in the general banking business and the amounts reported as ordinary deposits exceed those reported under the head of savings.

#### *Great Power of Trust Companies.*

Aside from national banks, state banks and private banks, the trust companies of the country form one of the great financial powers, and, indeed, are part of the great power called the "Money Trust." They are not what is known technically as a trust or monopoly, but their name signifies their character. They are in a sense banks which act as trustees under special laws.

Their power, because of the great amount of money they handle, is very great. There are more than 1,000 trust companies in the United States. So rapid has been the development of the trust companies in the last few years, and so largely have they become competitors of the banks and great factors in the money market that there is need of more knowledge concerning them. In the year from June 30, 1903, to June 30, 1904, the increase in the number of trust companies was over 400. Of 958 companies of which accurate account can be had the largest number is in Pennsylvania, where there are 180. New York follows next with eighty, and the eighty companies have resources much greater than those of any other state. New Jersey stands third, Indiana fourth, Ohio fifth and Illinois sixth, the last named having forty-two.

There are trust companies in every one of the states and territories and in the District of Columbia and Hawaii. In numbers the trust companies have grown more rapidly since 1899 than have the banks, although there has been

a remarkable development in the latter, due to the enactment of the law of March, 1900, which provided for the incorporation of institutions of small capital. Since 1899 the number of trust companies has increased 151 per cent, while the number of national banks has increased 49 per cent. In total resources the aggregate of these 958 trust companies is more than \$3,000,000,000, an increase since 1899 of more than 200 per cent.

The character of the business of trust companies differs widely. In some states they are closely connected with savings institutions and state banks, as in Illinois. Elsewhere they may have a business in life insurance. Primarily they were formed to act, as we have said, as a trustee. It is noticeable, however, that more and more they are enlarging the scope of their operations so as to include every kind of banking, following the tendency of the times toward "department store methods." Sometimes they find the easiest pathway to profits in buying and selling real estate and promoting real estate schemes. Actually they thus may become real estate companies with banking branches. This kind of business could not be done by a national bank for it would be against the federal law. Others become fidelity companies, guaranteeing the bonds of individuals and enterprises. Funds placed on deposit in such companies, or held by them in trust, are subject to such heavy risks as fluctuations in real estate values, disastrous fires or unreliability on the part of bonded customers. The commercial banking end of trust companies is the more common, but frequently it is more hazardous than national banking because of the smaller cash reserves that are usually held than those of national banks. Such companies besides discounting commercial paper, etc., frequently embark upon stock speculation—that is, they often join syndicates to buy and sell stocks and bonds, and sometimes big failures have resulted from this sort of financing.

Sometimes trust companies branch out into the most extensive kind of commercial and even international banking. For instance one has developed a business, when such a thing is possible, in shipping gold, a function heretofore performed by banks and private banking firms.

To show the relative power of the trust companies compared with that of the better known form of national banks we give the following statement of resources of 958 trust companies and 5,331 national banks in June, 1904:

	Total resources.	Average each.
Trust companies...	\$3,188,375,397	\$3,120,000
National banks...	6,655,988,686	1,250,000

This shows that while there are over five times as many national banks as trust companies in the United States, the trust companies have about half the





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## MONEY.

*Chinese the First to Coin Money—Source of Paper Money—The Modern Bank-note Regarded as a Swedish Invention.*

WHATEVER fills the functions of a medium of exchange and a measure of value, however crudely, is money. In the early times the exchange of commodities was carried on by barter or trade. Homer, in the *Iliad*, says that when

From Lemnos Isle a numerous fleet had come,  
Freighted with wine . . .  
All the other Greeks,  
Hastened to purchase, some with brass and some  
With gleaming iron; some with hides, cattle or slaves.

Such a method, however, was very slow and cumbersome. There were two great objections to it. Those who wished to buy might have nothing which those who wished to sell, cared to take in exchange. Furthermore, much time was wasted in trying to decide the relative value of the different articles traded in. Therefore, gradually, certain objects were fixed as standards of value which might not be used themselves, but were accepted in order to exchange again for something more desirable for use. Among other things that have been put to this service have been furs, skins, leather, sheep, cattle, wampum, cowries, grain, olive oil, salt and many metals. The use of cattle in ancient Europe for this purpose resulted in the Latin word for money, "pecunia," from pecus, cattle. In our own language the word "chattel," or "cattle" has come to include all property.

On the whole, pieces of metal were found to be most convenient for use as money. They could be divided and weighed easily, were easy to carry and were readily indentified. Therefore the names of weights soon came to pass for the names of coins, as the pound, the shekel, the livre and the lire.



EARLY CHINESE PU (SHIRT) MONEY.  
B. C. 700.



## MONEY.



**CHINESE KNIFE MONEY.**  
About B. C. 300.

blade of the knife was shortened, while the end of the handle, which was pierced by a hole so that the coins might be strung on a cord, was enlarged. Finally the blade disappeared and the circular end of the handle alone remained with a hole in the middle. The Chinese said, in explanation of the evolution to this round shaped coin, that money which is meant to roll around the world should itself be round. This change occurred about the second century before Christ, and resulted in the form known as

The metals most generally used have been gold, silver and copper. Iron is said to have been used in Sparta and among the ancient Britons in the form of bars. Tin coins are reported to have been struck off in ancient Syracuse and Gaul. Glass also is said to have been used in Egypt and Sicily.

One of the most remarkable illustrations of the passage from the state of barter to the use of money is to be found in the history of Chinese money. In ancient China knives and pieces of cloth long had been used to a certain extent as a standard of value, almost as gray shirting now is used in India. About the twelfth century before Christ the Chinese government tried to substitute coins for various objects in common use, such as knives, pieces of cloth, hoes, sickles, spades, etc., and made small metal models to represent the objects themselves. The two chief coins of this sort were the "pu" coins, roughly representing a shirt, and the "tao" or knife coins in the form of a knife. The word "pu" means cloth and "tao" means knife. These forms were very inconvenient and gradually the



**TRIBUTE MONEY—SILVER.**  
A. D. 16-37.

This is the coin referred to in the New Testament as being asked for by Jesus when the Pharisees "took counsel how they might entangle him in his talk;" "Shew me the tribute money," etc., etc. St. Mathew, xxii. 15.

## MONEY.

“cash,” now in general use in China and very common in this country because the Chinese attach it as a lucky charm to articles sent for sale to this country.

Many of these coins bear a mark like a new moon. This originated in a characteristic Chinese accident. About 620 A. D. a model in wax of a proposed coin was brought to the Empress Wentek for approval. In taking hold of it she left on it the imprint of her thumb nail. For hundreds of years this mark has been on Chinese coins and has even been copied on the coins of Japan and Korea.

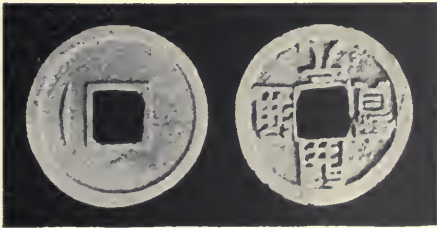
There have been many other very peculiar shapes of money. In Persia scimiter-shaped pieces of metal were used as money. Sometimes rings were used, as in Ireland down to the twelfth century, and in the interior of Africa today. In other cases money was in the shape of bricks or ingots. These gradually came to be stamped in order to verify their weight and fineness. Some countries seem not to have known coins at all. This appears to be certain in the case of those who erected the Pyramids, the Sphinx, the temples



**CHINESE KNIFE MONEY.**

7-22 A. D.

The blade was shortened for convenience.



**CHINESE CASH. 680 A. D.**

of Karnac, Babylon and Nineveh. The word money implies coin. One explanation of its origin comes from the fact that it was in the Temple of Juno Moneta that early Roman coins were struck off. Cicero says Juno received this name from the Latin verb moneo, because she advised the Romans to sacrifice a sow to Cyble to avert an earthquake. It is probable that the Lydians were the first of all nations to introduce the act of coining gold and silver. Generally the right of coinage had been a prerogative of the government. Until 1561 coins were made by heating

## MONEY.

spherical pieces of metal and punching them with a die. In that year the mill and the screw were invented and a century later the improved method of minting was generally accepted.

The use of paper money as currency and an instrument of credit dates back presumably to the Carthaginians. This people used a sort of stamped leather as money, and it passed as a representative of specie, but outside of Carthage it was of no value. Some historians regard paper currency as having originated in China late in the second century B. C. The explanation



**THE "WIDOW'S MITE."**  
Two of them went to a "farthing."

This coin was struck in the year of the Crucifixion (A. D. 29-30) by order of Pontius Pilate. It bears the name Tiberius on one side, and on the reverse, three ears of corn bound together.

of this origin has it that when one entered the presence of the Emperor it was customary to cover the face with a piece of skin. It was first decreed that the skin of a certain white deer kept in one of the royal parks alone was permissible for this use. These of course sold at a high price, but though they may have passed from one nobleman to another it does not seem that they were generally circulated. Travelers in China as early as 1262 reported paper, or rather cotton, money in use. An account of their use says that so much money was put into use about 1322 that the value

of the notes fell until it took \$15,000 worth to buy a cake of rice.

The modern bank-note is regarded as a Swedish invention. In 1656 the first bank in Sweden was founded by one Palmstruck and this is said to have issued bank-notes in 1658. It does not seem clear, however, that these were bank-notes in the present day sense, and the first real issue probably dates with the foundation of the Bank of England, whose charter was signed July 27, 1694. The first reference to a note of which the amount was printed, is found in the minutes of this institution of May 1 and 2, 1695. The first notes printed from copper plates were issued in 1725.

*De Petro Ironside & Jon R. q) mutuat. H. Annot. 1739  
Hend. Solubil. ex le Sinking Fund W. B. R. R. Georg. Sedi. Conc. - May 2nd.*

*Recd 200 die Octobr. a. R. R. Georg. Sedi. 24 -*

### EXCHEQUER TALLY.

The above represents a section of the end of an Exchequer Tally, two-thirds natural size, acknowledging the receipt of £236, 4s., 3½d., on the 25th of October, 1739, from Edward Ironside, Esq., as a loan to the King on £3 per cent annuities, payable out of the sinking fund, on account of £500,000 granted per Act. II. George II., C. 27. The two notches at the top denote £200, and the smaller notches at bottom the balance of the amount.



## THE RISE OF A GREAT NATION.

*Marvelous Growth of this Country of Ours Since the Close of the Civil War—  
Population Increased from 33,000,000 to 83,000,000 Souls—Wealth  
Increased nearly Six-fold—Thousands of Miles of Railway Built—World's  
Cotton Monopoly, Etc.*

NEVER in the history of civilization has there been a record to equal that of the growth of the United States in the period since the close of the Civil War. When Robert E. Lee with his army of Northern Virginia surrendered to U. S. Grant on April 9, 1865, at Appomattox, there were 33,000,000 people in the United States. In 1905 the inhabitants of this great nation numbered 83,000,000 souls. Then there were 36 states in the nation, counting the eleven included in the confederacy; today there are 45 states. At the close of the war the wealth of the country was estimated at \$20,000,000,000; so marvelous has been the growth since then that the country's wealth has expanded almost six fold and now is estimated at \$110,000,000,000.

The importance of the date 1865 as a starting point in American progress is suggested by several instances. War had checked immigration upon which the country depended for much of the brain and brawn to develop its wonderful resources, and the influx of European population began to expand marvelously only after the war ended. The war had been costly in more than one sense of the word; hundreds of thousands of lives had been lost and billions of dollars of property had been destroyed, to say nothing of the wiping out of \$1,500,000,000 of assets of the Southland represented by slaves which were counted in the aggregate of the country's wealth previous to the Emancipation Proclamation. Naturally the effects of this loss were shown in the decrease in the value of property for the decade ending 1870 in every slave state except Delaware, Maryland and Missouri, which did not secede. Therefore property was at low ebb in 1865 and from this date the great expansion in the North and West began.

Furthermore it was at this time that the first real work on the first of the transcontinental railroads began. There had been action in Congress as early as 1848 looking to the building of a road to the Pacific, but it was really

## RISE OF A GREAT NATION.

the war which resulted in the construction of the Union Pacific and the Central Pacific railways, begun in 1865 and completed in 1869, and which brought rail connection between the Atlantic and Pacific Oceans. Indeed, at the close of the war there were only 35,000 miles of railway track in the United States; for all practical purposes there was not a mile of road west of the Mississippi River. Today the railways of the United States measure 211,000 miles in extent. While many patriots in the days of Polk, Taylor, Fillmore, Pierce and Buchanan argued for the construction of a transcontinental road for business purposes, it was military necessity that brought about actual rail laying in 1865. The agents of the Secession had been active in California in 1861, and one of the impulses which secured legislation for building the road was the fear that if direct and quick communication between the Pacific slope and the rest of the country could not be obtained soon a movement for separation might gain headway in the far west.

Hardly had the Union Pacific and the Central Pacific joined rails when further great impetus to railway building, also a result of the war, was given and the second of the great transcontinental roads, the Northern Pacific, sprang into existence. On this road construction work began in 1870. Jay Cooke, the man who floated the bonds of the United States government during the war, headed the project, but the panic of 1873 swept him off his feet and the work on the road was suspended until Henry Villard seized the opportunity and pushed the road to completion in 1883. These two great roads and the Southern Pacific, the Great Northern and the other transcontinental roads threw open the trans-Mississippi West to settlement and incited a population expansion without parallel in the previous history of the country, or, indeed, in the history of any other part of the whole world. During the Civil War for the first time since 1848 the railway construction of the United States had fallen to below 1,000 miles a year. In the suffering Southland building practically had ceased. The 35,000 miles of track in 1865, expanded to 52,000 miles five years later, the North and West being practically the sole gainers thereby. Industrial expansion below the Mason and Dixon line was to begin later. The 52,000 miles of roadway of 1870 became 93,000 miles a decade later; in 1890 the mileage of the country amounted to 166,000; in 1900 it amounted to 194,000 miles and at the beginning of 1905 it amounted to 211,000 miles. This increase of railway mileage is a fair index of the financial and industrial growth of the country in the forty years since the close of the great war of the rebellion.

With the removal of the one great bone of contention between the North and

## RISE OF A GREAT NATION.

the South in the abolition of slavery, the inhabitants of not only this country but of the whole world saw golden opportunities ahead of this nation in a glorious era of peace. More capital for industrial investment was sent to this country in the five years immediately after Appomattox than in any fifteen years before that time. The immigration into this country which had dropped to 89,000 people in each of the two years of 1861 and 1862 leaped to 247,000 in 1865, and was 387,000 in 1870. Two years later for the first time in history it crossed the mark of 400,000. In 1881 it crossed the 600,000 mark and one year later another 100,000 was added to the yearly influx. That was the maximum annual immigration until 1903 when it reached 857,000 people. Signs now point to the million mark being reached in 1905. Very nearly three times as many immigrants have landed in the United States in the forty years since the end of the Civil War as came here in the previous seventy-six years since the first inauguration of George Washington as President.

Railway building and phenomenal immigration could result in but one thing politically—the addition of territory to the country in the shape of new states added to the Union as rapidly as population warranted. At the end of the war there were thirty-six states, three of which had been created since Lincoln's first election as war measures. These were Kansas, admitted in January, 1861; West Virginia, admitted about the middle of the war and Nevada, created just in time to take part in the presidential canvass of 1864. The first state created after Appomattox was Nebraska, which was let in in 1867. Colorado succeeded in getting into the Union in 1876 and became the "Centennial State." Then thirteen years elapsed before any more stars were added to the flag. This time a large bunch of states came in. The railways had been building up the country west of the Missouri River. The Northern Pacific and other great lines had carried people over into the shadow of the Rocky Mountains and beyond them more quickly and more cheaply than they had gone from the western border of Pennsylvania over into Ohio in the days of President Jackson. The consequence was the admission, in 1889, of North Dakota, South Dakota, Montana and Washington and a few months later Idaho and Wyoming came in. This completed the roll as it stood in 1905, with the exception of Utah which was admitted in 1896. Thus the thirty-six states of 1865 became the forty-five of today.

Although the great increase of wealth, population and prosperity in the North and West came through the termination of hostilities between the North and South, the latter, perhaps, was the greater gainer in some things thereby. Population and wealth, as has been stated, fell off during the great conflict.





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**CASTLE GARDEN AND BATTERY PARK, NEW YORK CITY.**

This is the extreme southern end of Manhattan island on which New York stands. The oval building is Castle Garden, which for many years was the receiving station for immigrants until superseded by Ellis Island, in the bay. The buildings to the right are steamship piers, and across the mouth of the North River, or Hudson, Jersey City appears.

## RISE OF A GREAT NATION.

Had a census been taken in 1865 it probably would have shown fewer people in the eleven ex-Confederate states than there had been in 1860. For a time political intrigues, such as "carpet bagging," worked against the South in its reconstruction by piling up debts. But the greatest difficulty which beset that section of the country through the voting power granted the negro was gradually overcome and in 1877 reconstruction was practically completed by the withdrawal of federal troops from South Carolina and Louisiana.

But even while the political troubles of the Southland were at their highest, the natural resources of that section of the country began to attract attention. West Virginia, Tennessee, Alabama and other states were rich in coal and iron deposits, which before the war had been unthought of, and these have been utilized in an increasing degree in the last twenty-five years until the Birmingham, Ala., iron and coal district is now celebrated around the globe. The United States for a long time was far down on the list of coal-producing countries. Not until 1900, indeed, did this country pass England, which then led the world in this respect. Today we now stand at the head and produce 37 per cent of all the world's coal. To this gain the South has made a large contribution. In iron it has been almost the same tale. In 1880 the pig iron production of this nation was 3,800,000 tons. It was 18,000,000 tons in 1903 and in 1905 signs pointed to a total of 21,000,000 tons. Here the South has made an important contribution to the sum total of the country's expansion. The Birmingham district now rivals that of Pittsburg, and even has advantages over the latter in having the coal, iron ore and lime stone nearer than in the Pittsburg field.

But the great staple of the South is cotton: indeed, this product is recognized as distinctly American in the international trade of the world as this country's cereals. In 1904 the South raised the greatest crop of the staple in history, gathering very nearly 14,000,000 bales of 500 pounds each. When one takes into consideration the fact that in 1860 the cotton crop of the South was of world-wide reputation and value and yet was only 4,800,000 bales, or about one-third that of 1904, it will be seen how one great influence has worked for expansion and prosperity of the country. Indeed, even since 1880, when the South's first real progress since the war began, the cotton crop has much more than doubled in size measured by the 1904 production.

But let us go a step further. The United States has a monopoly on the cotton production of the world, raising about three-fourths of the cotton of the whole world. And all the American crop is raised in the South. Nor



## RISE OF A GREAT NATION.

is this connection of the South with cotton restricted to raising the raw material, for the old slave states now have caught up with the North. In 1880 the South manufactured into textiles only 221 bales of cotton. Today about half the 4,000,000 bales retained for consumption in the United States and manufactured into articles, are put through Southern home mills. If conditions warrant, this progress can be furthered remarkably. With the nearness of its supply of raw material, with cheap labor and with low rents,



**GOLD PROSPECTING IN THE YUKON COUNTRY.**

Southern manufacture could surpass that of the North. As for cotton production, with the waste lands of the South once cultivated, the bumper crop of 1904 probably could be doubled.

### *Great Production of Gold.*

Production of gold today is at a greater rate than ever before in history. In 1904 the known new gold brought into commercial channels from the mines was \$350,000,000 in round numbers. Before the year 1905 is passed it is possible there will be added another \$400,000,000 to the world's gold supply.



## RISE OF A GREAT NATION.

So rapidly indeed is gold increasing that political economists are now referring to the increase as the "golden flood." Whereas it was an overproduction and abundance of silver which caused great perturbation among financiers a decade ago, now it is the standard metal of money the world over which is



From the United States Department of Commerce and Labor Reports.

### **STOPE, WEST DRIFT 2,000 FEET FROM LINE, ANCHOR MINE, NEAR PARK CITY, UTAH.**

The production of gold and silver antedates the dawn of written history. The search for the precious metals prompted the discovery of new continents and stimulated the efforts of alchemists, thus indirectly leading to the development of scientific chemistry. Yet it is only since the beginning of gold mining in English-speaking countries, at about the middle of the nineteenth century, that any progress in mining methods can be recorded. And even today, mining methods of primitive man may be observed in actual operation in some parts of the United States. The beginning of gold mining in the United States dates back to the first quarter of the nineteenth century, when some placer mining was done in North Carolina and Georgia, the settlers working at odd moments, giving to mining such time as they could spare from other occupations.

changing in value and thereby changing the comparative prices of all commodities measured by it.

Of the great supply of gold now being produced South Africa is the greatest contributor. During the Boer War mining in the Transvaal—or

## RISE OF A GREAT NATION

the Rand as it is called—was checked to almost nothing. Now, however, Chinese labor has been introduced in the once-more-peaceful country and progress in gold mining is almost unbelievable. In 1904 this production amounted to about \$90,000,000. The United States is a close second with \$84,000,000 gold dug up from its rich mines.

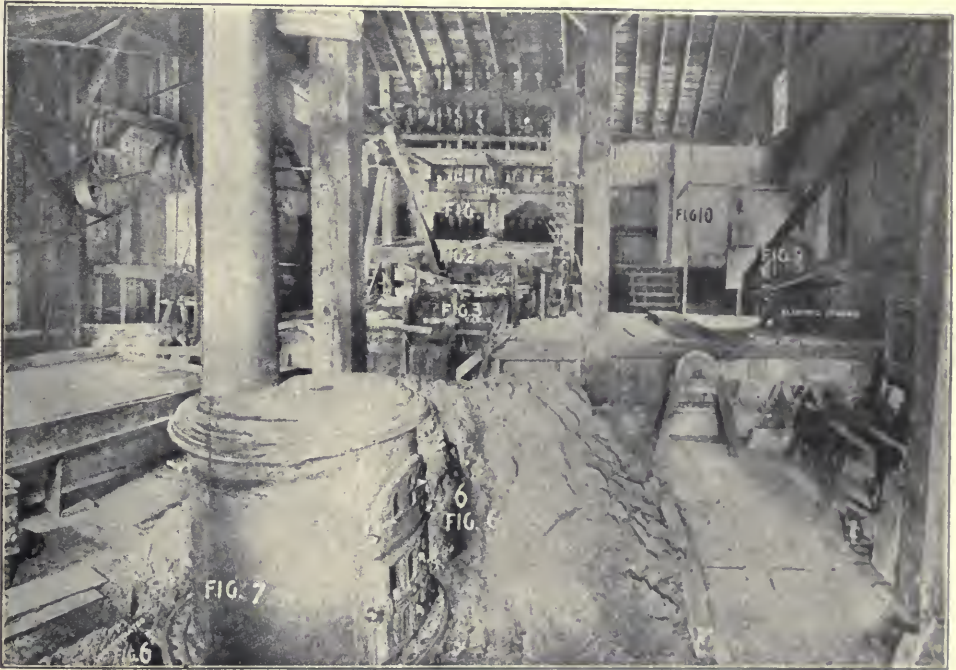
The interesting question that is heard is, where does all this gold go? Of course it is a well known fact that all the new gold produced does not go into money. Between 1895 and 1903 the amount of gold in the money systems of the world increased from \$4,068,800,000 to \$5,382,600,000, a gain of \$1,313,800,000. During the seven years between these dates the world's product of gold increased \$2,094,298,300. Thus 64 per cent of new gold went into money and 36 per cent is to be accounted for. It is supposed that a great deal of gold goes into the arts and sciences—perhaps 25 or 30 per cent of the output. This would still leave some of the gold presumably going into hiding places, perhaps to be brought out in sudden emergency. Professor J. Laurence Laughlin recently suggested that possibly the great private banks of the world which do not make report hold this extra horde.

“The existing stock of gold, about \$10,000,000,000, of which about \$5,000,000,000 is used in the monetary systems of the world,” said he, “is now so large that no restrictions on legitimate bank discounts can be assigned to a scanty world's supply of gold for reserves. When the war in the Transvaal broke out in 1899 it was supposed by some that the supplies of gold for the reserves of European banks would be curtailed. Two years later the American reserves had increased by \$150,000,000, those of the Bank of England by \$18,000,000, the Bank of France by \$100,000,000 and the Bank of Austria-Hungary by \$43,000,000. The Bank of Russia, for special reasons, alone, had lost gold. This outcome was not surprising. The explanation is to be found in the vast supply of gold not employed in circulation, in all countries, nor in the arts, but held by institutions or financial houses, not obliged to make public reports of their holdings of gold.”

It is of interest to note that the greater part of the annual production of gold passes in and out of the United States. In 1904 \$206,000,000 thus circulated through this country. But we do not hold this gold. The market for this precious metal is as wide as the world. It is currency the world round and when any country wants it, it generally gets it speedily. Thus in 1904 while the United States produced 24 per cent of the world's gold product, it retained but 9 per cent of it. Indeed, it held but 37 per cent of its own production, thus giving to the world of its store to serve in the arts and

## RISE OF A GREAT NATION.

in monetary systems. For instance, during that year Russia was sore pressed in a war with Japan. Therefore we and the rest of the world sent some \$81,000,000 to the Czar's country. France, which is the banker of Russia, wanted \$61,000,000 that year. Europe during this time took up about \$205,000,000 gold.

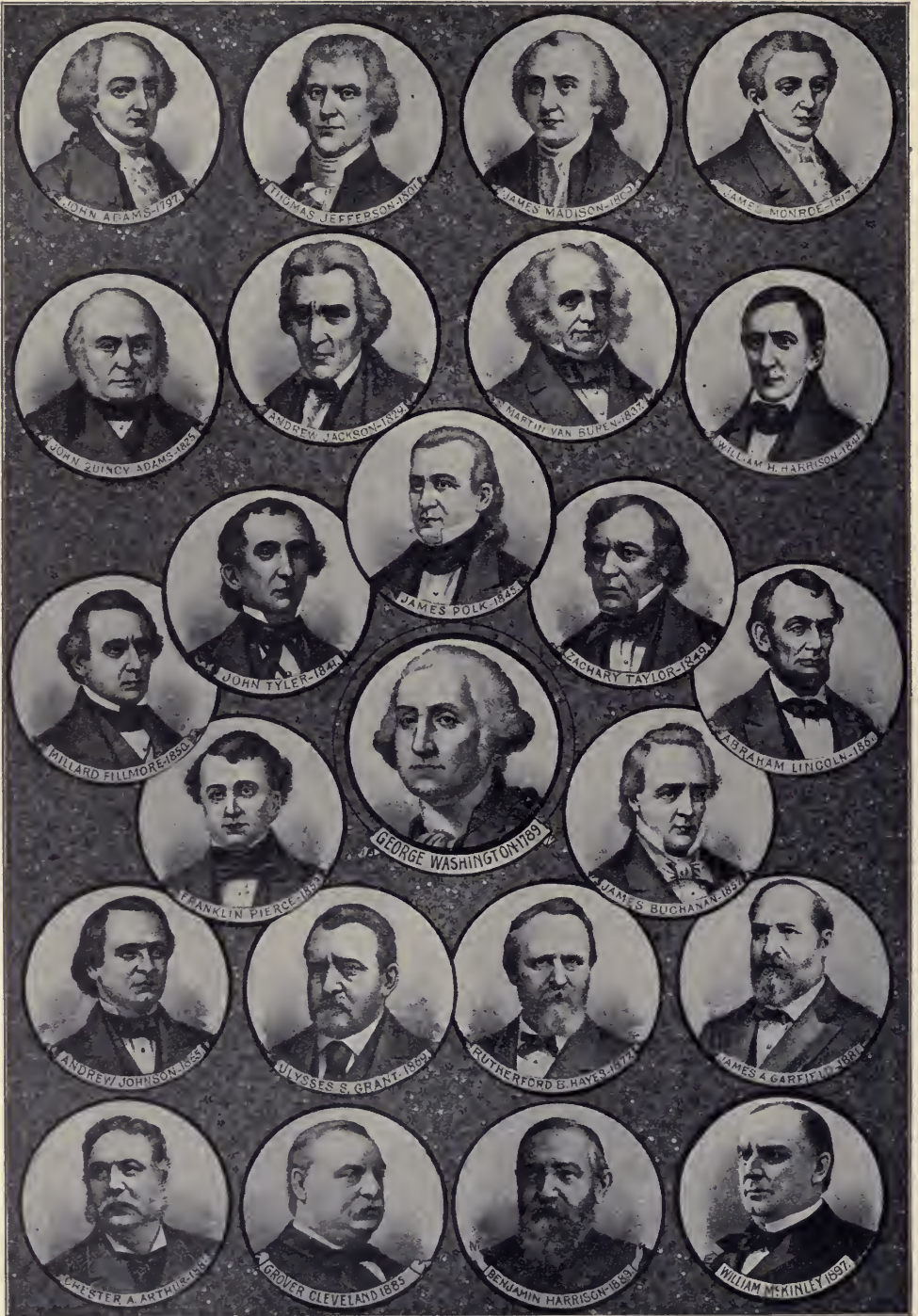


From the United States Department of Commerce and Labor Reports.

### **INTERIOR OF MILL OF THE UNITED GOLD MINING, MILLING AND TUNNEL COMPANY, IDAHO SPRINGS, COLORADO.**

The extraction of the metals from the ore was in the early period not differentiated from mining. The most natural method which suggested itself to the human mind for dealing with the gold-bearing rock was to reduce it to the same state in which the alluvial deposits were found and to separate the disseminated particles of gold from the pulverized mass by the familiar method of washing. The advent of the stamp-mill changed this condition, but with the progress of gold mining a point was reached where it was found inadequate. The problem was not fully solved until the process of concentration was introduced. Only rich ores could bear the expense of shipping to distant smelters. As a result, low-grade refractory ores which could not be treated by amalgamation were thrown away. The new process of concentration, which reduces the volume of ore to be shipped and treated, was tantamount to a discovery of new gold mines.





OUR PRESIDENTS  
 (FROM WASHINGTON TO MCKINLEY)

resources and the average resources of the trust companies are over twice as great as those of the national banks.

To show the growth of trust company financial power we submit the following statement of resources and number of companies in recent years:

	Number of Companies.	Total Resources.
1904.....	958	\$3,188,375,397
1903.....	531	2,298,554,063
1902.....	417	1,983,214,707
1901.....	334	1,614,981,605
1900.....	290	1,330,160,343
1899.....	260	1,071,525,994

Trust companies are among the greatest investors in stocks and bonds in the country. This is one reason why they are powerful both with the public and in the stock market. Banks which conduct the usual sort of business do not invest much in stocks and bonds, for they need to keep their money in readiness for merchants and others who want to borrow it to carry on other kinds of business. This particular phase of banking is called "commercial." The trust companies' depositors largely are of a class who from time to time use their money in securities, but who have deposited it with the trust companies for safe keeping and for interest pending transactions of their own. "Commercial" banks are criticised for investments of a heavy nature in securities, but this is not so true of trust companies, provided investments are made with due regard to its deposits and not for the purpose of promoting speculative or doubtful enterprises. It may be said that the more the trust companies enter into competition with the "commercial" banks, the more they will be obliged to keep their assets ready for emergency, and the less will they be able to tie them up in permanent investments.

The fact that the trust companies held large amounts of securities during the stock market panic of 1903 was one of the causes of deep concern during that year. With a few exceptions, however, they stood the long liquidation very well. The worst possible phase of this kind of business is where the bank or trust company lends heavily to one borrower or invests heavily in one class of securities. This makes it possible for one failure to wreck the institution.

The extent to which the trust companies of the country are holders of stocks and bonds is but little known. A recent compilation of the holdings of securities by companies in fourteen large cities showed this concentration of power to control nearly \$555,000,000 of stock and bonds. Even the three greatest life insurance companies, the New York Life, the Mutual and the Equitable Life, together hold only a little more than \$100,000,000 in excess

of this amount. They hold about \$658,000,000 of stocks and bonds. So great indeed is this power that the trust companies of these fourteen cities hold almost as many stocks and bonds as those of all the national banks of the United States, when government bonds are not taken into consideration. Following is a statement of the security investments of the trust companies of fourteen large cities of the country:

Greater New York.....	\$236,890,596
Philadelphia .....	75,809,369
Pittsburg .....	52,548,300
Chicago .....	52,199,235
Cleveland .....	25,052,151
Boston .....	24,333,188
St. Louis .....	23,707,558
Baltimore .....	19,232,541
Rochester .....	14,858,734
Jersey City .....	7,208,515
Buffalo .....	4,919,684
San Francisco .....	3,260,496
New Orleans .....	3,131,406
Washington .....	1,793,245
Total .....	<u>\$544,945,018</u>

The following comparison shows the trust company investment holdings of fourteen cities and all the security investments of all the national banks of the country, not including bonds deposited to secure bank note circulation and government deposits:

	Investments in Securities.
Trust companies in fourteen cities..	\$549,945,018
All the national banks in the United States .....	589,241,085

The following is a comparative statement of the security investments of trust companies and national banks of eight leading cities:

	Trust Companies.	National Banks.
Greater New York..	\$236,890,596	\$133,816,080
Philadelphia .....	75,809,369	30,042,098
Pittsburg .....	52,548,300	19,059,293
Chicago .....	52,199,235	13,238,840
Cleveland .....	25,052,151	3,271,039
Boston .....	24,333,188	11,724,639
St. Louis .....	23,707,558	8,662,030
Baltimore .....	19,232,541	7,780,740
Total .....	<u>\$509,772,938</u>	<u>\$227,594,759</u>



## CHAPTER XXXIII

### "GOLD BRICKS"—FRAUD UNDER THE GUISE OF SPECULATION.

*Bunco Games in the World of Finance—Traps Baited with Promises of Big Dividends—Typical "Get-Rich-Quick" Schemes—Fake Banks and Fake Credit Agencies and References—The Work of the Bucket Shop—The Rule for Safety.*

IT WOULD SEEM that nearly every bunco game conceivable had been exposed long ago and that people having money to invest could have learned the lessons taught by the experience of those who have bought "gold bricks." But every day turns up some new scheme by which the man with a few dollars is relieved of his property with speed and deftness. The device perhaps most in use today to part a man from his hard-earned savings is that which masquerades under the guise of speculation. The man who has laid by a few dollars after years of hard work desires to "make his money work." Undoubtedly this is wise. The principal basis of modern business is credit and those who have accumulated capital always should be able to make that capital earn them an income. But the investor who knows little or nothing of the ways of investment hears the tales of how the kings of finance have made fabulous fortunes in a few years or even months through some great speculative venture and they would emulate their examples. Such a prospective investor is ripe fruit for the plucking by the first unprincipled knave that comes along.

The first thing that is offered the guileless possessor of money is a big dividend. Bright and gilded prospectuses of some far away gold, silver or copper mine, oil well, rubber, sugar, or pineapple plantation or what-not are sent to people who are known to have a little money to invest. These prospectuses always promise "safe investment" and the "largest possible dividends." Some of them go so far as to "guarantee" dividends on stock which at best is "watered" several hundred-fold. Beside using the mails to send out these pamphlets to the unsuspecting public, the robbers who represent themselves to be managers of legitimate business corporations often advertise at great length in the newspapers of the country in order to catch the eye of their victim. The dividends promised are almost always so enormous that the most ignorant

person should have his suspicions aroused. Ten per cent is generally the least promised and most frequently the immediate prospect held out is for "20 to 30 per cent or more within a few years." We quote from one typical advertisement of one of these "get-rich-quick" scheme advertisements: "The certificates can be purchased for cash or on the installment plan to suit the subscriber. Dividends will be begun at once and will increase rapidly each year until an annual payment of 30 per cent or *more* is paid. *If your earnings are small* it is all the more reason why you should invest them where the *greatest possible dividends* will be earned."

Now, it happens frequently that just such concerns which peddle stock to ignorant investors on the installment plan are legally organized and upon investigation can prove that the stock with which they are swindling the public really does own some property somewhere, which will be improved or cultivated or made to earn profits for the stockholders. But these investment frauds nearly always are stock juggling schemes of the worst sort. At best such companies are organized only with "prospects." The savings bank pays 3 per cent interest on savings deposits. This is the measure of safety by which ignorant investors should judge investments. Consider then the fine promises of ten, twenty, thirty or even 100 per cent income. The stock peddler of the illegitimate sort points out that Calumet and Hecla Copper shares once sold for a very low price, that this or that plantation reaps great rewards for investments made long ago. True. Today there is as great wealth to be made in such enterprises as at any time in history. But the point to be dwelt upon is that the legitimate enterprise based upon sound management, sane financial methods and honesty at best is a venture. And the legitimate venture is none too secure to the investor who is not personally informed of such matters as management and finance.

It is not an unusual method of the schemers to organize papers which purport to be legitimate financial journals in order to foist their bogus or "watered" securities upon the public. When this scheme is adopted the bogus "financial journal" usually contains a coupon which reads something like this:

#### *Investors Should Not Speculate*

or invest their money in any proposition without a full knowledge of its value and dependability. Not one third the enterprises offered the investing public are reliable. So far as we are able we will be pleased to be of service to our readers who make use of the following blank:

Editor Chicago Daily Financial and Industrial Bulletin:

Dear Sir:—Please give me your opinion concerning

(Full name of company).....

(General Offices) .....

No charge made for information if stamp is enclosed. }	}	Name.....
		Address.....
		City and State.....

This sort of bunco game embraces sending the “financial journal” to people who have been approached with a certain “get-rich-quick” stock scheme, or who will be approached. If the investor is ignorant of such practices he may fill out the blank requesting information. Invariably he receives an immediate reply approving the stock. Or an advertisement appears in the paper which courts investigation for the stock. Sometimes the “financial journal” is an independent blackmail sheet run for fraudulent purposes and in that case it will approve of any bogus concern which will divide the spoils. In order to make the paper appear genuine some companies are attacked. Financial gossip is copied from other papers to give the sheet a genuine appearance. Such papers frequently demand advertising from men who are running small but legitimate mining or plantation stock companies and who wish to sell stock to increase their business. If the advertisements are not given, the paper generally threatens to “expose” the managers for running a fake or shaky concern. These papers, which exist even in Wall Street, are filled with favorable “write ups” of stock companies which are prepared to rob the people. To show to what extremes some of the swindlers will go we print on the next page a typical advertisement of a stock “get-rich-quick” scheme.

When the speculative swindler is not at work on stock jobbing schemes he is running a blind pool in wheat, corn, cotton or some other commodity which makes alluring bait for the unwary. Circulars are mailed broadcast to people in the country districts, telling of great fortunes made by the big speculators and setting forth the “secrets of success” in speculation. In short, they ask that the reader send almost any amount of cash to be put into a pool which will operate in stocks or cotton or grain or provisions—it does not matter much what—and the profits will be divided. Figures are given to show how much can be earned. Immediate dividends at fabulous rates are promised. The swindlers rent an office for perhaps a month, collect money from as many gullible people as possible, and, if the dupes come in great enough numbers some of their money will be returned at once as “dividends.” This, of course, serves as a bait to attract more suckers. The news



**SEND US \$10 TO INVEST FOR YOU  
IF YOU DARE  
AFTER YOU HAVE READ EVERY WORD OF THIS  
ADVERTISEMENT.**

We begin sending returns in 8 to 12 days after receipt of your remittance, and from that on every one who approves of our plan is an enthusiastic advertiser for us.

We judge from present indications that our interests in the **TWO GREATEST AND RICHEST PRODUCING GOLD MINING CAMPS IN THE WORLD,**

**CRIPPLE CREEK AND GOLD FIELD**

in addition to our Copper Mining and other interests, will make every \$10.00 sent in answer to our "dare" advertisements bring the sender hundreds, perhaps thousands, of dollars, even though we *promise* nothing.

**THANKS! THANKS! THANKS!** are coming in from every direction. We could fill a large volume with letters of thanks, for the returns we have sent, from good people, giving us their consent to use their names as references. But we gave **THEM** no references. **THEY** took the leap absolutely in the dark, and it would not be fair to bother them now to answer letters of inquiry from others.

When you send us \$10.00 to invest for you, we assign to you, absolutely free of charge (aside from the returns we send you in 8 to 12 days), an interest in the \_\_\_\_\_.

With the first returns we send full particulars and conditions of this assignment, and propositions for larger investments that will surprise you, but it is not necessary to invest any more in order to hold your interest in the \_\_\_\_\_, nor does that interest place any obligation on you whatever, but it means an interest in all the companies named below, and of course the more you invest the greater your interest will be.

And we **EXPECT** to see the interest of each one increase in value to hundreds, perhaps thousands, of dollars.

The \_\_\_\_\_ is the only concern in the world that is operating on the plan of "nothing **PROMISED**, but **DO** something."

If you have sent money to the "Big **PROMISE** fellows" and got nothing but loss and disappointment, just send \$10.00 (while you have a chance) where nothing is promised, and it will be no trouble to decide where to send your money hereafter.

We believe we are in a position to make larger returns than the "Big **Promise**" fellows ever do make, to say the least.

Our prospects look more flattering than they ever did.

We do no coaxing, but we would advise those who contemplate sending us \$10.00 to do it **NOW**.

that Mr. Soandso is getting \$5 a week on an investment of \$100 spreads in many communities. When enough swag has been collected to make it worth while, or if there are signs that the government will discover their nefarious business, the swindlers close their offices, and fade away.

With these concerns as with the fake stock proposition the fake financial paper is a ready assistant. Furthermore, fake credit agencies and banks are organized to aid in the robbery. The moment the prospective dupe is sent a circular promising great and quick wealth, a credit agency slip is sent out soliciting the business of making reports on the condition of speculative concerns. If the dupe is tempted to "invest" his money, he may send a request to the bogus credit agency, asking of the status of the blind pool concern. Invariably a favorable reply is returned, sometimes with the reference of a bank enclosed. Sometimes a legitimate bank is fooled into giving references in these swindles, but more often the bank is a bogus concern in itself.

Every now and then these "get-rick-quick" concerns operate with such boldness that the whole country is startled with the magnitude of the thefts. In 1899 W. F. Miller ran what was called the Franklin Syndicate for a year, offering 520 per cent profit on money invested in it. In that time this syndicate distributed \$1,500,000 in "interest" back to investors. To show how the scheme worked, however, in twenty-three business days toward the close of the swindle Miller took in cash deposits and mail remittances of \$931,000. His expenses were \$138,000. The net profit on three weeks' trade was \$793,000. He had 17,000 depositors. In recent years dozens of similar concerns operating in Chicago, Philadelphia, Cincinnati, Buffalo, Charleston, Boston and elsewhere have operated with success to fleece ignorant persons whose heads have been turned by stories of speculation. Probably none of these swindles has raked in less than \$75,000 to \$100,000. The most recent exposure of this sort was that of the Storey Cotton Company which closed with assets of only \$30,000 and liabilities up in the millions. It is supposed the principals in this swindle got away with \$1,000,000.

Closely allied with this sort of swindle is the bucketshop. Primarily this is simply a gambling place under the guise of a legitimate brokerage office. Actually, however, the bucketshop is a swindling concern, because it is organized solely for the purpose of taking money from and not giving it to people who become their "customers." This counterfeit speculation is transacted by making imaginary purchases or sales of a speculative commodity according to the prices made on bona fide exchanges. There is, however, no purchase or sale of anything.

## CHAPTER XXXIV

### THE GOLD SHIP—HOW A NATION PAYS ITS DEBTS TO FOREIGN COUNTRIES.

*Not Enough Actual Money in the World to Conduct its Business on a Cash Basis for a Single Day—How the Exchange of Commodities Equalizes Everything—Explanation of "Balance of Trade" and Foreign Exchange.*

EVERY YEAR millions of dollars' worth of products of the soil, mines, factories, etc., are shipped from this country to other countries of the world. In return other countries send to the United States millions of dollars' worth of their products. This is foreign trade.

The reason why this trade exists is because we are able to offer foreign people commodities that we produce on better terms than perhaps they could produce them; while in return foreign people have certain commodities which we need but perhaps cannot produce to as good advantage as the people of other countries. In an ideal state of foreign trade sales would just balance purchases, for then it would be apparent that we were exchanging what we did not need for just what we did need. This, however, is not always the case, although over a long range of years imports may almost balance exports. When exports are in excess of imports the balance is said to be in favor of this country, for it is generally supposed that it is better to sell than to buy. This, however, is really not good logic, for business is reciprocal—that is, there is never a buyer without a seller. Therefore if a country did not expect to take something in return for its exports of commodities it could not expect other countries to buy of it.

Now, for years the United States has enjoyed a great excess of exports over imports in its foreign trade. This has been due almost wholly to the fact that this country has been considered the granary of the world and that other countries depended largely upon our grain to feed themselves and to a similar extent upon our cotton to clothe themselves. Eliminating these food products and raw materials from consideration, it will be found by comparison that the government statistics of imports and exports for a number of years do almost



balance. For instance, during the government year of 1903, while our exports to foreign countries amounted to the enormous sum of \$1,392,231,302, but deducting the amount of agricultural, mining, forest and fishery products, the amount exported was \$413,955,747. On the other hand, that year we imported a total of \$1,007,960,110 worth of commodities, but by deducting \$595,691,586 for crude materials, live animals and food it is seen that the imports were \$412,278,524, or almost the exact balance of the exports.

Further examination into statistics would seem to point definitely to the existence of a law of equal exchange. This law apparently rules that if we expect to sell we must expect to buy in return. We may tap new markets for a time or develop trade in China or South America, but the tendency cannot always be in one direction.

There are times, however, when the country as a whole may be a great creditor or a great debtor nation to other countries of the world. The phenomenal growth of wealth in the United States has tempted foreigners, especially Europeans, to buy heavily of stocks and bonds in the great railway and industrial companies of the country. When the great industrial boom began after the election of President McKinley, much of the funds which went to build up this boom came from Europe. Indeed, at one time Europe loaned as much as \$500,000,000 to the business interests of this country, and it was largely due to the desire of European capitalists to get back the money on these loans that brought about the great stock market panic during 1903. At a time when this country finds it has not enough cotton or wheat or corn to ship abroad and exports in such commodities fall materially the balance of trade is said to be against the country, for imports into the country may exceed exports out of it.

There is a constant stream of business transactions under way to equalize the balance of trade. This process is what may be termed international, or foreign exchange and is conducted by international banking houses. If the big packers at Chicago ship great quantities of beef to Europe, they personally, of course, want money in payment. But the wine merchants of France, the carpet manufacturers at Brussels or other foreign business men have sent great quantities of their goods to this country and they desire money also. Sometimes gold, the money of the world, is exchanged, but it costs so much to ship it that unless it is needed more than anything else the foreign exchange bankers try to make the amounts due from the shipments of beef cancel those due from the imports of laces, carpets, wines, etc. And this is foreign exchange.

Of course what takes place is not the actual cancellation of shipments against

imports, though it amounts to that in the long run. What does take place is that the Chicago packer draws a bill of exchange against the European purchaser, due probably in London, the money center of the whole world. This bill of exchange is made transferable and being good for a certain amount of money is sold to an international banker at a slight discount for the trouble of collecting. Now, possibly in Chicago, some great dry goods man like Marshall Field wants to pay for a bill of goods he has received from Europe. He seeks out to find just such a bill of foreign exchange as the Chicago packer has sold to the banker. This he purchases at perhaps a slight expense for the trouble to the banker for arranging the transaction and may send it to his European business associate in payment for the goods he has bought.

Sometimes capitalists wish to lend money in another country, and then rather than ship gold over to that country they will simply sell bills of exchange on that country, which is equivalent to placing credits there. Most of these bills are on London bankers or their correspondents and the result is that eventually they balance through the banks of that city.

When, however, conditions are such that more money is needed in Europe to pay what is owed from this country, gold actually has to be shipped. The cost of money—that is, the interest rate—is a considerable factor in such negotiations. Sometimes money may be scarce in one country and interest rates high. Then the bankers of another country see an opportunity to make good interest by sending money—or credit—to that country. This may be done by selling bills of exchange, but sometimes the actual gold is shipped. When this is done it is almost always the case that the balance of trade referred to here is in favor of the country receiving the gold—that is that country has sold more commodities abroad than it has purchased.

Gold shipments are among the most interesting money movements known to banking. In the first place there is considerable risk in shipping the money. The ship may be lost in a storm or be burned at sea. The shipments are generally in large amounts, for unless conditions warrant a pretty steady flow of gold from one country to another for at least a short period, foreign exchange bankers will take the risk of selling bills “short”—a sort of speculation in the hope that conditions will change soon and they may “cover” the bills at a profit by buying bills offered by some one else at a profitable figure.

The risk of these shipments can readily be seen when it is known that early in 1905 the French liner “La Champagne” carried from New York over \$9,000,000 in gold in one shipment destined for Paris to furnish the French

bankers with money to supply Russia with funds with which to carry on the great war with Japan. That amount was only a little less than 1 per cent of all the gold in circulation in the United States.

But this, while it costs much for insurance against outright loss, does not worry the bankers nearly so much as the loss of metal by abrasion. It is well known that when coins are carried for a long time they wear very thin. In such metals used for money, as silver and copper, this is not so serious as in gold, for gold goes by its weight everywhere, and other coins are only representatives of the actual money, just as paper generally is the representative of gold money. Now, with gold wearing down at this rate, it is a fact that a big shipment of the precious yellow metal will cause enough rubbing together to wear away a visible amount of gold, measurable in dollars and cents lost. In order to save as much loss as possible, for such a loss is a dead one, the bankers generally ship gold in the form of bars, secured in this country principally at the New York assay office. When the supply of these bars runs out, as it does sometimes, the actual gold coin is shipped. This is usually called a specie shipment. Such was the nature of the \$9,000,000 load referred to here. In this case if the ship had been lost at sea every man, woman and child in the United States would have had to get along with 11 cents less money in circulation. But besides these risks and losses there is that of interest. When money is on the water it cannot do anyone's bidding to earn more money. This loss is considerable. Indeed this special shipment to Paris, one of the largest in history, by the way, cost about \$38,000. And yet the foreign demand for gold for Russia and other needs was so great that foreign bankers paid interest on the money while it was in passage.

The serious question now with bankers is whether it is worth while to risk so much of the world's wealth in shipping it across the ocean. If there should be some great amount lost in transit, probably some readjustment would be made so that this transfer would cease. Certainly it seems that in this great twentieth century of time-saving and labor-saving devices, the commercial genius of the age ought to be able to establish some system of international finance that would reduce to a minimum these shipments of gold across the Atlantic and Pacific oceans.

It is, as a general thing, during the spring that gold is sent from this country to Europe, for frequently we are then paying for purchases made abroad, while in the fall Europe generally sends us gold, for then we are shipping great quantities of grain and cotton and Europe is paying for them.



*What the World Drinks—Millions of Gallons of Tea, Coffee and Alcoholic Beverages Consumed Each Year by the Nations of the World.*

When a person sits sipping his or her coffee, tea, wine or beer quietly at mealtime, little consideration is given to the total amount of these beverages consumed each year by the peoples of the world. But the industries of placing these beverages before the consumers is of great magnitude and the consumption is of almost fabulous proportions. The United States government has prepared statistics on the question and the figures show that the United Kingdom of Great Britain and Ireland is first in the consumption of tea; the United States first in coffee-drinking; Germany first in the consumption of beer; Russia first in the matter of drinking whiskey and other distilled spirits, and France first of the wine-drinkers. The other countries compared were Spain, Italy, Austria-Hungary, Portugal, China and Argentina.

Tea consumption in the twelve countries named aggregated in 1904, over 510,000,000 pounds. Of this, the consumption in the United Kingdom was 256,500,000; Russia, 127,333,000; United States, 109,666,000, and Germany, 7,000,000.

Of coffee, the world's consumption is approximately 2,250,000,000 pounds. In this the United States, as already indicated, holds the first place, with a total consumption in 1904 of 961,000,000 pounds; Germany second, 397,000,000; France third, 168,000,000; Austria-Hungary fifth, 108,666,000; Italy sixth, 39,000,000, and the United Kingdom seventh, 29,500,000 pounds.

The statistics of beer consumption are available for only eight countries, with a total of 5,753,000,000 gallons annually. Germany had a total consumption of 1,783,000,000; the United Kingdom, 1,501,000,000; the United States, 1,494,000,000; Austria, 492,000,000; France, 289,000,000; Hungary, 38,333,000, and Italy, 6,750,000.

The consumption of whiskey, brandy, and other distilled spirits in the eight countries for which statistics are available amounted to 687,000,000 gallons—that for Russia being set down at 174,000,000 gallons; Germany, 124,333,000; the United States, 121,000,000; Austria, 82,500,000; France, 72,333,000; the United Kingdom, 58,333,000; Hungary, 43,500,000, and Italy, 11,000,000.

Wine consumption in the nine countries for which statistics are presented amounts to 3,090,000,000 gallons annually, principally in the Latin countries. France alone consumes 1,343,000,000 gallons annually; Italy, 928,500,000; Spain, 331,500,000, and Austria-Hungary, 231,000,000; Germany consumes

124,000,000 gallons of wine annually; Portugal, nearly 72,000,000; the United States, 43,333,000, and the United Kingdom, 16,666,000.

The per capita consumption of the various beverages in the principal countries presents some sharp contrasts. Thus, in the per capita consumption of tea the United States is credited with but 1.34 pounds as against six pounds for the United Kingdom; while in the other countries presented the annual consumption per head of population is in each case less than one pound.

In the per capita consumption of coffee the relative rank of the countries named is: United States, 11.75 pounds per head of population; Germany, 6.65 pounds; France, 4.29 pounds; United Kingdom, 0.69 pound, and Russia, 0.15 pound.

Of beer the per capita consumption in the latest available year was as follows: United Kingdom, 35.42 gallons (thus exceeding Germany with her 30.77 gallons); Austria-Hungary, 20.36 gallons; United States, 18.28 gallons; France 7.41 gallons, and Russia, 1.08 gallons.

The United States (1.48 gallons), United Kingdom (1.38 gallons), France (1.85 gallons), and Russia (1.26 gallons) differ little in their per capita consumption of distilled spirits. In wine, however, the per capita consumption varies greatly among the various countries, from a minimum of 0.39 of 1 gallon in the United Kingdom to 34.73 gallons in France, while the other countries, arranged in the ascending scale, stand, United States, 0.53 of 1 gallon; Germany, 2.08 gallons; Hungary, 3.75 gallons; Austria, 5.85 gallons; Portugal, 14.12 gallons; Spain 17.82 gallons, and Italy, 28.06 gallons.

## CHAPTER XXXV

### MUSCLE AGAINST MONEY.

*Where the "Square Deal" Doctrine Should Rule at All Times—Growth of Organization in the Industrial World—Labor Legislation—Child Labor and the Law.—The War Between Capital and Labor.*

TODAY the most glaring examples of a situation where the true American doctrine of the "square deal" should be the rule of practice, but almost invariably is absent, are to be found in the remorseless, bloody and incessant struggle between money and muscle, in the war between capital and labor. It was impossible, when evolution in business was bringing forth monopoly in capital and legalizing it through giant corporations, mergers and trusts, that a similar process should not be taking place among those who had only human strength to sell and the sweat thereof—labor—instead of the capital of the growing captains of industry.

So slow, however, was the growth of organized and systematic labor co-operation, until recent years, that the capitalist paid little attention to the signs which indicated such concentration of power in the hands of labor leaders as might be dangerous in case it were put to arbitrary use. Rather the capitalist proceeded in his own quest for power through monopoly and trust aggrandizement, now and then throwing some sop to the struggling working man, until trade unionism—the Labor Trust—had gained such headway, through organization, public sentiment and legislative reforms, that further usurpation of power or demands by labor for new concessions brought a systematic organization by capitalistic forces to combat every movement made by the opposing side.

This call to arms came in the summer of 1903 and resulted in the formation of the Citizens' Industrial Association of America. And it is this alliance of more than 500 business men's organizations, reaching from New York to San Francisco and from the Gulf of Mexico to the Great Lakes, that now is confronting the American Federation of Labor with its million and more members to fight out the battle of the classes.

But let us take the matter up nearer the beginning. This mighty struggle



apparently had its cause in the foundation of things. There was a time when it was characteristic of certain writers on economic subjects wholly to ignore labor as a factor in the production of wealth and to ascribe all importance to that portion of capital accumulated in precious metals. Even more impossible conceptions existed when slavery was tolerated as good morals. As a matter of fact slave labor was a basis for all the early known civilizations. Then might was right, and a conquered race of human beings or prisoners of war labored, while the ruling class, inevitably drawn down into degeneration by its lusts, extravagances and supineness, was eventually overcome either by new and more vigorous races or by its own slaves. From time to time there were more or less definite struggles for such share of the "might" by the laboring class as would give them some new "right." In the middle ages, and even in a certain degree in modern Europe, the slave system of labor was known as serfdom. The serf, while being bound to the land and compelled to obey his feudal lord, had certain privileges which the lord respected. While such a system thrived under conditions that existed in olden days, it was ill suited as one of the agencies that was destined to bring forth the great industrial age. Therefore it gave way to the system of free labor. England was the first to profit thereby in the fifteenth century; France and Germany followed, and Western and Central Europe was freed from serfdom by the early days of the nineteenth century. Russia did not submit until late in the nineteenth century. In America the new form of negro slavery was a potent factor in the early development of the South, but this proved as intolerable as serfdom and culminated in the civil war and the Emancipation Proclamation.

Though the freedom of the laboring class from legal slavery generally was not effected until comparatively modern times, organizations for the betterment of those who were working independently began with the journeymen clubs and guilds of the Middle Ages. The nucleus of modern trade unionism was seen frequently after the fourteenth century, when bodies of workmen maintained somewhat continuous existence and regulated apprenticeships, paid benefits and struggled with employers in a manner that suggested perhaps the modern weapons of the strike and boycott. While this development seemed steady it was not marked so long as employees and employers were so closely allied as to live in the same house. Indeed, the trade union as we find it today was largely, if not wholly, the result of the modern factory system and the sharply defined division of labor. Therefore, we may expect to see trade unionism beginning to flourish about the latter half of the eighteenth century or early in the nineteenth century. This, in fact, is what is found in history.

In 1830 there began to spread a socialistic movement which had for its basis a hazy idea that the wage system should be abolished and be succeeded by some scheme of co-operative production. This movement gained great headway, within a few weeks the unions gaining half a million members. From time to time the movement toward uplifting the masses of laborers one way or another changed form. At times it took on political aspect.

Eventually the English labor leaders who were most successful tried the method of organizing the unskilled workers of the large cities and, by the forces thus gathered, to compel concessions. This method gained its early visible and far-reaching victories beginning with 1889, when the famous London dock-laborers' strike, under the leadership of John Burns, was granted public support. In most of the struggles at this time the points at issue were such tangible questions as the plea for an eight-hour working day, sanitary factory regulation, etc.

The movement in the United States patterned largely from the example of England and developed simultaneously with it. As in that country from time to time demonstrations of a political character were seen. Here the early history of trade unionism at times was marked with attempts at socialism. Here also the exclusiveness of the union, which was regulated principally for individual trades, was considered too narrow a policy for success, and eventually this gave way for wider movements and federations of national scope, such as the National Labor Union, which was followed about 1872 by the Knights of Labor. Recently formed general unions are the American Federation of Labor with something like 27,000 local unions and about 1,500,000 individuals under its control, and the American Labor Union.

All the time labor was perfecting its organization, until it could wield such power as that of the closely knit American Federation of Labor, there had been a constant fight going on for labor legislation. We know today what influence is to be found in politics from the labor vote. And former history was not wholly unlike that of today. While the steps taken by labor organizations to secure laws which would redound to the benefit of all society are of great interest, it must suffice here to point out a few of the things that trade unionism has fought for successfully. In the main this legislation in the United States is embraced in four movements—those for the regulation of the hours of labor, the protection of health, the payment of wages and the liability of the employer. Today many of the existing laws are conceded to be wholesome and for the good of all concerned; but the enactment of

these laws was secured only by the hardest struggle against the lobby of employers.

In the matter of hours of labor there are few laws regulating the time of work of the adult male. In April, 1905, indeed, the United States Supreme Court ruled against a law of the state of New York which had attempted to limit the hours of labor. On the grounds of public health and morals a law had been enacted which would not permit work in such branches of labor as baking more than sixty hours a week. The court, however, found the law to be unconstitutional and rendered the verdict in these words:

"There is no reasonable ground for interfering with the liberty of persons or the right of free contract by determining the hours of labor in the occupation of a baker. Bakers are in no sense wards of the state. Viewed in the light of a purely labor law, with no reference whatever to the question of health, we think that a law like the one before us involves neither the safety, the morals nor the welfare of the public, and that the interest of the public is not in the slightest degree affected by such an act.

"It is a question of which of two powers or rights shall prevail—the power of the state to legislate or the right of the individual to liberty of person and freedom of contract. The mere assertion that the subject relates to the public health does not necessarily render the enactment valid. The act must have a more direct relation as a means to an end and the end itself must be appropriate and legitimate before an act can be held to be valid which interferes with the general right of an individual to be free in his person and in his power to contract in relation to his own labor. We think the limit of the police power has been reached and passed in this case.

"The employe may desire to earn the extra money which would arise from his working more than the prescribed time, but this statute forbids the employer from permitting the employe to earn it. It necessarily interferes with the right of contract between the employer and employes concerning the number of hours in which the latter may labor in the bakery of the employer. The general right to make a contract in relation to his business is part of the liberty of the individual protected by the fourteenth amendment to the federal constitution. Under that provision no state can deprive any person of life, liberty or property without due process of law. The right to purchase or to sell labor is part of the liberty protected by this amendment, unless there are circumstances which exclude the right.

"It seems to us that the real object and purpose was simply to regulate the hours of labor between the master and his employes, all being men sui



generis, in a private business not dangerous in any degree to morals or in any real and substantial degree to the health of the employes. Under such circumstances the freedom of master and employe to contract with each other in relation to their employment and in defining the same cannot be prohibited or interfered with without violating the federal constitution."

If such was the case with men, however, it was somewhat different with women and children. For years children as young as five years of age were worked at tasks that should not have been permitted. In the South today many cotton mills employ children even to work all night. The fight, principally by the trade unions, has abolished much of this and today laws exist in most states prohibiting the labor of children in factories, workshops and mines before a certain age is reached. This age differs, some states ruling ten years a suitable age to begin drudgery and others twelve or fourteen years. Restrictions are generally placed on the amount of work that can be done by children of these ages. Even with these laws child labor still abounds in the United States to the impairment of the physical, mental and moral health of the community. Inasmuch as the employing class is permitting such abuses obviously it depends largely upon the stronger portion of the laborers—the organizations—to check them.

The case of the woman laborer is somewhat less hopeful than that of the child. Absolute prohibition of female labor in mines is found in some states, and restriction as to the number of hours a woman should work also is found in legislation in some communities. Generally, however, regulation is meager.

In spite of all the abuses seen today in the sweat-shops and other vile and foul surroundings in which human beings are compelled to work, progress towards sanitation has been remarkable since the labor organizations began insisting upon reform. In every state some sort of regulation has been enacted into law. Some of the acts provide for a given amount of air space to each workman, for protection from fire, dangerous machinery, etc., and for fans to remove poisonous air, vapors or dust. Some laws go so far toward the protection of human life as to prohibit the sale of goods made in sweat-shops—particularly clothes made up in unsanitary dwellings or tenement houses.

Akin to these health laws are those which make the employer liable for damages when an employe is injured by accident other than by negligence while actively under his employ. This sort of legislation has been fiercely combatted by corporations, especially by the railways, and in many instances have been all but nullified by other laws which exempt the employer in case the accident is the fault of a fellow workman. Efforts now are making to place the

burden of the responsibility of accidents upon the employer, and generally that is the case now with railway companies.

Legislation looking to the regular payment of wages at stated intervals has been invoked in a few states, but the question of its validity has been raised. More general is the law specifying that actual money and not commodities shall be paid in compensation for labor. These laws, of course, are not by any means all that have been enacted in behalf of labor. In their wake have followed acts for factory inspection, employment bureaus, and many other functions of government, which, however, in turn have been accompanied by adverse labor legislation providing against such specific weapons of the trade unionist as the boycott, the molestation of private business by pickets of the unions, etc.

#### *The Labor Problem.*

Obviously not all the concessions desired by organized labor through its various agencies could be secured by the enactment of laws. Statutes that were as loose as the eight-hour law of New York would be declared unconstitutional as fast as they might be made. Therefore the wage-earning class had access to other means to solve its side of a knotty problem. And before we go further in this matter we may as well point out one or two fundamental questions which lie at the basis of what is termed the labor problem. Generally speaking, the principal stumbling block to amicable relations between the employer and employe, between capitalists and laborer, has been the matter of the equitable distribution of the results of the combined forces of capital and labor—in other words, the question of the division of the wealth produced. But while this has been one of the main questions for dispute, it has been founded in something perhaps even more fundamental—the conception on the part of the workman that he has a birthright, by reason of his very existence, which calls for not only tolerable existence here on earth but some of the positive good things of life. Perhaps the majority of organized laborers themselves do not definitely understand the instinct which surges within them, working toward the evolution of a higher type of man. But this instinct exists, it seems, in a great measure, and appears to be growing into almost a sixth sense with those who are finding greatest difficulties to attain to something of a higher development which the law of evolution demands. Under these circumstances there has developed apparently without unnaturalness an intuition to “fight for the cause.” The trade unionist says that the moment wages are raised to meet a demand of labor, the price of the commodity produced also is raised, thus cancelling the

first gain. If shorter hours of work are granted the concession is offset in some similar fashion.

The development of the class instinct with the capitalist is identical. The right of free contract has been guarded with such jealousy that any attempt to infringe upon it meets with such force as is available to the allied millions of capital's wealth. The capitalist says he cannot continue to operate a business unless there is a given amount of profit in the business to him. He threatens to retire from business if "labor becomes too exacting," and he frequently carries out his threat. But labor replies that today, with wealth concentrated in the trusts, a concentration effected with the people's savings, business no longer is a private affair of the employer, but is a matter of general welfare.

This brings up the idea that the workman has a right to work at his chosen calling and to be, in a considerable measure, the one to decide on what terms of hours, wages, etc., he shall employ himself. The capitalist class, however, combats this theory as unstable. The employer insists that just so long as he has command of the tools of production, such as money, land, etc., he will run his "own business" as he "sees fit."

It can be seen readily enough that the lines on which these two great forces work run parallel with each other at best, and never really approach each other. It is little wonder then that we see actual war and bloodshed between these classes, with riot, arson and mob rule on the one side and the adroit resort to bribery, legislative corruption and legal oppression on the other. On the part of the employer frequently there is arrogance and stiff-necked pride against submission to the demands of labor. On the part of labor frequently there is the unwise conception that it may be illegal to break statute laws, but that, just as this was done at the Boston Tea Party and at the Declaration of Independence, in order to enforce a moral law, so today the oppression of modern George the Thirds may call for extreme measures. And now of one party and now of another, and often between both upper and nether millstone, there is a mass of people who demand that evolution come by peace and not by revolution.



## CHAPTER XXXVI

### THE CRIMES OF LABOR—STRIKE VIOLENCE AND ITS CAUSE.

*The Rights of the Individual—Union and Non-Union Laborers—The Suffering Public Between Two Fires—The "Picket" and the "Scab"—Epochs in the Long War—"Bleeding Colorado"—The "Grafting" Labor Boss—Bribe and Blackmail—Who Is Responsible for the Disorders that Accompany Strikes?*

"WHILE the right to enter upon a strike is and must be conceded as a right belonging to the personal freedom of the working men, this much must ever be demanded, and in the name of the same principle of freedom under which the men act who refuse to work: that they should cease to work must in no way interfere with the liberty of others who may wish to work. The personal freedom of the individual citizen is the most sacred and precious inheritance of America. The constitution and the laws authorize it. The spirit of the country proclaims it, the prosperity of the people, the very life of the nation, require it."—Archbishop Ireland.

While the trade unionist sees advantages to be gained in organization and finds the necessity of combatting the greed of organized capital by means of the strike and the boycott, public opinion, which is the final arbiter in all strife, runs very close to the dictum of Archbishop Ireland as set forth above. The fact that a long protracted strike is almost never unaccompanied by riot, murder, arson or other examples of lawlessness, has called up great condemnation of labor methods. The scenes in the contest between the mine owners and the Western Federation of Miners which brought for that proud western state the humiliating title of "Bleeding Colorado," and the almost endless procession of disorders following in the wake of strikes in Chicago, have called for remedies.

Doubtless not all the crimes charged to labor are due directly to labor. There are many vicious characters that hang upon the skirts of well-meaning unionists who are ever prone to throw the first stone which rouses mob spirit. This mob spirit does not exist simply in the matter of labor strife, for it is seen in the outbursts of lawlessness when some depraved wretch is lynched for a real or a fancied crime. The writer personally has witnessed labor riots in Chicago where the trouble was started by street urchins who were imbued with

the mob spirit to a certain degree and who vented it because of their intense hatred of the "scab" or "unfair" workman and because of their partisanship for the union.

It is not this phase of disturbance, however, which has exercised the thinking public to protest most emphatically against labor disturbances. The suffering public, which in these days of extensive industrial organization feels the brunt of a great coal, railway or packing-house strike, insists upon one thing, that street brawls, shooting and arson shall not be accompaniments of a strike which can be laid to the door of the labor organization running the strike. In almost every case this disorder and bloodshed is caused by the fact that a non-union man or "scab" has filled the place of the union striker. At once the striker endeavors by several means to prevent this usurpation of his position, for unless the industry against which the strike is called can be prevented from continuing its business, the strike will fail.

The methods of prevention are many and devious. The most common is that of "picketing." The union engaged in the strike appoints a number of spies or "pickets" whose duty it is to intercept the working non-union men or "scabs," and dissuade them from continuing work. Sometimes this is done by gentle means, but nearly always it is accompanied by threats of personal violence. This crusade against the scab extends to the non-union man's wife, children and other relatives. It is difficult always to prove that assault or murder of a non-union man is the direct work of pickets, but the court records are filled with enough instances where men have been found guilty of such action to place great blame upon the unions. This statement, perhaps, should be qualified by saying that the blame is placed more directly upon union leaders than upon the members of the unions collectively. This may be explained by developments that occurred at the time this was written. In Chicago a great strike was in progress. The union controlling the strike voted money for "educational purposes." The members turned the money over to the executive committee, believing it was to be used for peaceful persuasion of non-union men not to work in the places of the strikers. A man was killed because he "scabbed." Men were arrested and, according to their confessions, they had been hired to slug non-union men into submission.

*"Bleeding Colorado."*

So great were the disturbances in Colorado in the ten years from 1894 to 1904 that extracts are given here from a pamphlet issued by the Colorado Coal Mine Operators' Association which set forth some of the charges made against

the leading spirits in the Western Federation of Miners which called the great and bloody strikes from Cœur D'Alene to Cripple Creek :

"Neither the people of Colorado nor their Governor, James H. Peabody, hold organized labor responsible for the terrible crimes of the Western Federation of Miners. Neither do they contend that all members of this organization belong to the vicious or lawless class. It would be just as unreasonable to condemn the institution known as 'organized labor' for these crimes as it would be to condemn the republican form of government because of the crimes of the barbarous little republics of Central and South America. It was not a question of whether corporations, mine owners, alliances or unions should prevail, it was a question of whether or not law and security for life and property should prevail.

"The people of Colorado believe that the long record of outrage and crime given in this pamphlet justifies the following conclusions :

"1. That a large number of criminals and lawless men have been welcomed, supported and sheltered by the Western Federation of Miners.

"2. That the officers of that organization and a large number of the members, while perhaps not committing crimes themselves for which they can be prosecuted, do directly and indirectly advise or encourage the lawless among them to commit crimes.

"3. That these officers and this element preach disrespect for the law and contempt for the lawful authorities and openly and publicly, as individuals, approve of and gloat over the slugging, dynamiting and murdering of non-union men by their criminal associates.

"4. That where this organization has had its members in local public offices, or where it has had the power to influence peace officers and courts in this state, it has paralyzed the hand of justice and made it next to impossible to convict members of the Federation caught in the act of committing crimes.

"5. That this organization, having formally and officially espoused the cause of the so-called Socialist party, is opposed to our present form of government and is aiming at its overthrow, together with the abrogation of the present Constitution.

"6. That this organization teaches its members to regard the wealth they produce from the property of others as their own, thus encouraging theft (of ore, for instance) and also inflaming the minds of its members against their employers, against law, against organized society and against the peace and safety of the public."



*The Grafting Labor Boss.*

The vicious practices of certain elements of organized labor would not be recorded completely were not the sins of the labor boss recounted in some measure. Competent judges say the life of the trade union now depends upon securing honest and intelligent leaders, who on the one hand will not use such influence or desire for vain glory through ignorance as they can induce their followers to grant them power to lower rather than raise the condition of the members of the unions, by illogical and arbitrary methods and demands, and on the other hand will not sell out the interests of the union to the ever-ready capitalist with his bribing money bags. The latter condition is one which threatens only too seriously to undermine society today. The bribery of labor leaders cannot continue indefinitely, for its sanction by the union is of course impractical, and once the members of the union discover the practice the boss is dethroned as a general thing. But that this practice is growing to some degree is certain. The writer knows of one case personally where three trusted leaders of a union were in the pay of an employer who bribed them to disclose the business methods of the union.

Of this condition of affairs District Attorney Jerome of New York has said: "This corruption in the labor unions is simply a reflection of what we find in public life. Every one who has studied our public life is appalled by the corruption that confronts him on every side. It goes through every department of the national, state and local government. And this corruption in public life is a mere reflection of the sordidness of private life. Look what we find on every side of us—men whacking up with their butchers and grocers, employers carrying influential labor leaders on their payrolls, manufacturers bribing the superintendents of establishments to buy their goods."

To mention a specific instance of labor bossism and corruption at the fountain of trade unionism let us quote the words of Ray Stannard Baker concerning the rule of Sam Parks, the late walking delegate or business agent of a New York building union.

"This man," says Mr. Baker, "elected to carry out the instructions of his union, actually reversed the process and bossed the union. His four thousand iron-workers obeyed like children. He called strikes when and where he pleased, often deigning to give the men no reason why they were called out; he spent the money of the union lavishly and made no accounting. Once, when an overbold member ventured to inquire in open meeting what had become of a certain sum of money, Parks replied by hurling a table at him. Several others who

opposed him were 'beaten up' in near-by saloons. Others mysteriously lost their jobs. When a man disagreed with him, he 'gave him a belt on the jaw,' as he has said, 'and that cleared his mind.' Of \$60,000 received in fees and dues by the union in 1901, over \$40,000 disappeared without detailed accounting, mostly under Parks's direction. Of \$75,000 received in 1902, some \$60,000 was spent practically without accounting. What these great sums went for (strikes, Parks said, vaguely), no one but Parks really knew, and he wouldn't tell. Every member of the union knew the exact character of Parks, that he was a 'grafter'—and yet he could not be displaced. Even after being arrested for blackmail, he was re-elected by his union; when he went to State's Prison his salary as walking delegate was continued, and when he was released under court orders he marched at the head of the Labor Day parade, cheered by his followers.

"But the money he received from the union treasury probably did not equal the amount he got from the employers. Behold the extraordinary spectacle of builders and manufacturers of large interests summoned by this former coal-heaver to come to his house or to the saloon of his appointment and pay him two hundred or nine hundred or two thousand dollars *for his personal use* to secure permission to go on with their business! This happened not once, but many times, as the evidence presented to District Attorney Jerome has abundantly shown. And if a builder was recalcitrant his jobs were 'struck' and the men kept out until he 'settled.'

"I am not entering here into the question of the justice of these strikes; some of them may have been warranted; I suspect they were; but the point is that Sam Parks and other men of his type called them without consulting anything but their own personal pleasure, with no instructions from their unions, often without giving any reasons to the men who were thus compelled to lie idle and, worse still, strikes were often accompanied by the demand for money or to enforce the payment of money. Did the money go to the men who struck and lost their wages? Not a bit of it; they won the battle, Parks pocketed the spoils, though sometimes he spent it liberally 'setting up' for his friends at near-by bars. I heard a housesmith say: 'Sam Parks is good-hearted all right; if he takes graft he spends it with the boys.'"

## CHAPTER XXXVII

### SOCIALISM.

*A Theory of the Industrial Millennium and the Tendencies in that Direction as Hastened by the Abuse of Monopoly in both Capital and Labor Classes—The Municipal Ownership Movement an Evidence of the Growth of Socialist Principles.*

DURING the investigation into the railway rate evils which aroused President Roosevelt to insist upon government regulation of the greatest of industries the President was quoted as having said to several railway presidents that unless concessions were made to the people at large, unless something nearer to a "square deal" could be granted than the public had experienced before, the country was destined to see social democracy. About the same time Vice-President Frank A. Vanderlip of the National City Bank stated that the growth of socialism in Europe threatened to gain great force in America; that there were visible prospects of a definite alignment of political forces with this issue as the dividing line. Shortly before this nearly 500,000 votes were cast for E. V. Debs, the candidate for President on the Socialist ticket and the man who had led the American Railway Union in the great Chicago strike of 1894. So definite has the tendency been toward increased agitation for Socialism in recent times that the capitalists have raised a great cry against what they believe to be its dangers, principal of which is said to be the encroachment on the individual rights of man. The press has teemed with expostulations against the possible overthrow of the prevailing systems of industry.

Just as emphatic statements have come from the direct representatives of the capitalists who definitely leagued themselves together to crush out trade unionism. Here is what D. M. Parry, ex-president of the National Association of Manufacturers and president of the Citizens' Industrial Association of America, says on the subject:

"The agitation for supplanting private control over capital appears to disclose two distinct methods for the accomplishment of its objects. One is that of confiscation—the passage of legislative enactment and the adoption of other means to reduce profits and to limit private management of capital. The other



is that of acquiring government control through purchase from the present individual owners. That form of socialistic endeavor which seeks government control of capital by purchase is at present limited to the acquirement of public utilities. Attempts in the line of municipal ownership have for the most part resulted unfavorably to the claims made by its advocates. Government cannot manage capitalistic enterprises as economically or as efficiently as private owners. A large increase in the number of its employes is certain to threaten the domination of our democratic government by an officeholding class, and the corruption of politics under private ownership of corporations would be as nothing compared with the corruption that would most likely exist under government ownership.

“While the enlargement of the scope and power of government by the purchase and management of certain enterprises has found considerable support among the people, yet I believe the sentiment favorable to socialistic measures involving the confiscation of profits and the limitation of private management of capital is the more widespread and dangerous. Without making special reference to the aim of the avowed socialist, we have organized labor and its sympathizers supporting the idea that organizations of men may dictate to a large extent the management of enterprises which they do not own, determining the rate of wages and fixing the hours of employment. Another illustration of this kind of socialistic sentiment is manifested in the present agitation to have the government fix railroad rates.”

On the other hand the Boston Herald, confronting the fact that Socialism is based on the desire to abolish all parties save one, that of all society in harmonious action, has this to say:

“Denunciation of Socialism, which is inspired by the misunderstanding and selfishness of those who have wealth, will not put it down. On the contrary, it will breed Socialists and make them bitter and desperate. They may be in error as to facts and the right cure for the evils they feel; but they cannot be made to change their minds by any course that damns their ignorance and their motive. As for their motive, it is quite as generous, as patriotic, and moral as that which actuates those who cherish a conceit of superiority. Bishop Potter, Carroll D. Wright, Washington Gladden and many others who have had much to do with the settlement of controversies between employers and employed, have testified emphatically that in their experience the workingmen were not the least intelligent, reasonable and fair-minded to the controversy under consideration.

“Socialism as a theory of government may be subject to many serious objec-

tions; but plutocracy and monopoly are more objectionable on many accounts, and vastly more hostile to every genuine ideal of a democratic commonwealth. Hence they are more to be distrusted by the Christian and the sagacious patriot. Those whose fundamental aim is to promote essential equality of conditions and opportunities, of work, privileges and responsibilities are not necessarily the most dangerous class of citizens, nor is there any *prima facie* reason for regarding them as the most incapable, immoral and fanatic. At any rate, they are not already conspicuous for dishonesty in business and dishonor in politics. The corrupting bribers and grafters do not come from their ranks. They are not to blame for a situation which makes Socialism seem tolerable to many serious minds as a correction of wrongs which grind the poor and make the future seem hopeless of betterment."

But simultaneous with these cries of warning one of the greatest waves of feeling of socialistic tendency swept over the city of Chicago and resulted in the election of Mayor E. F. Dunne on the avowed platform of immediate municipal ownership of the street car lines of the city, which had been notoriously badly run, which had been the means of mulcting the investing public of the city of millions of dollars and which at last had been turned into the bankruptcy court. Here was a demand for some improvement upon capitalistic methods, with the belief that any change would be better than the intolerable service given the public at that time. Nor was this tendency for municipal ownership and governmental control of public utilities confined to Chicago. It was seen in the cry for railway rate regulation, in the Kansas legislation for state oil refineries to supplant those of the Standard Oil whom Kansas had kicked out of her borders, in the investigation into the evil practices of the Beef Trust and private car lines and in a hundred other phases. A New York paper in commenting on the assemblage that attended popular lectures at Cooper Union in New York City says:

"After a lecture a few days ago in which the Socialist cheering had been unusually vociferous till it seemed to characterize the whole gathering, a little test in the form of a standing vote was taken. It appeared that out of some 1,200 people there were only fifteen or twenty Socialists. Three persons expressed themselves as entirely satisfied with existing industrial conditions. When, however, it was asked how many believed that 'the time has come for the community to assert a larger control over public service enterprises, such as trusts, railroads, gas, etc.,' apparently the entire audience rose. Here was clearly an audience which, however much one may choose to call it Socialistic, had nothing wild, theoretical or essentially impractical about it. It was com-

posed of men and women who had come into close contact with facts, and who were drawing their theories out of their facts, not trying to make their facts fit theories. It was a typical audience; typical of the good old practical methods by which Englishmen and Americans have solved their historic problems and built up their progress; typical of the public opinion of this country today as it reflects on evils and seeks remedies. It is not improbable that almost any general audience of 1,000 men and women in any part of this country would show much the same proportions of sentiment."

At once there arises the question as to why and how sentiment is rising to change the whole existing scheme of industrialism under private ownership and to make it co-operative in the hands of all society. Both method and cause are explained in part by a demonstration which developed coincidentally with the teamsters' strike of 1905 in Chicago, an incident which is now become common to many such disturbances. This was the active soliciting of laborers to forsake trade unions—which the Socialists consider but a makeshift and incentive to constant war between classes of labor and capital—and to join in the Socialist movement to change the whole system once for all. This effort to socialize the union man is seen in such a statement as the following by William Mailly, who conducted the Debs campaign of 1904:

"The supremacy of the working class is inevitable. It is just such conflicts as this teamsters' strike that proves to wage workers that they must control the powers of government if they would get justice. Should the power of wealth and government, in the hands of the capitalist class, defeat the magnificent drivers' organization the day when the working class will absolutely control the entire affairs of this city and of the nation will be brought nearer. When unions are defeated in strike efforts they are in a position to see clearly that they must vote themselves into power and conduct industry entirely for the benefit of all the working class."

Again, the following by Charles H. Kerr, an active Chicago Socialist leader, is typical of the attitude of the organized Socialists to accomplish proselytes of the trade unionists during the teamsters' strike:

"Naturally, being the party of the working class, we are on the side of the unions. This does not mean that we indorse every detail of the unions' methods of fighting, but we recognize that the class war is on, and the laborers must fight as they can, with the means at their disposal.

"Is it true that the Socialists are taking advantage of the situation to secure converts?

"It certainly is. When we see a union man indulging in profanity be-



cause the policemen are riding on the 'scab' wagons, we ask him, 'Isn't that what you voted for?'

"How do the unionists receive the Socialist organizers?"

"There is a marked change in their attitude. Not so very long ago a Socialist would invariably be hooted down or refused the floor at a union meeting; now the union men almost invariably seem anxious to hear what our speakers have to say.

"What effect will the strike have on the growth of the Socialist party?"

"It will undoubtedly bring us an immense increase in our vote. We have constantly pointed out that the old parties represented capitalist interests, and that the only rational course for the laborers was to vote for the Socialist party, the party of their own class. In ordinary times this is not so easy to see, but the action of the employers in banding together against the unions, and using the police and the courts as weapons, has made it evident to the great body of union men that we are right. If the employers succeed in crushing the teamsters' union, the result all over the city will be like the result in the stockyards districts last fall. The packers won a glorious victory over the unions, and the unions responded by sending two Socialists to the legislature. Union crushing on a larger scale will result in drawing class lines more clearly than ever before, and when class lines are drawn it will be evident that the people who live by working have more votes than the people who live by owning. Then the laborers will elect their own city officers, and proceed to run the city to suit themselves, without regard to the 'business interests' of the capitalists."

Thus far it has not seemed advisable here to define that industrial movement which we are discussing. There have been many sorts of doctrines held by those who have claimed the title of Socialists. It is not intended here to set forth the numerous different creeds that have existed in the name of Socialism or which still exist. Suffice it that there are those who see or think they see a tendency toward an industrial millennium where men shall not be at war with each other, where the "square deal" shall be a rule of every-day conduct. These men believe that the most effective methods of producing wealth have been found to exist under CO-OPERATION. The great desire now is to effect a more just DISTRIBUTION of wealth produced through similar CO-OPERATION. They point to the fact that the trusts have grown so large that apparently the next step is to make the whole country one trust in which every citizen shall be practically a stockholder. How this is to be accomplished none of them knows. Indeed the disciples of Socialism say it does not

matter just what the ways and means shall be. They point to the very serious problem of slavery which confronted this nation with apparently no solution. The freedom of the slaves no doubt worked great hardship to the southern planters, but, say the Socialists, this was inevitable and the means finally developed almost spontaneously. So, they say, will come the change, NOT by which every person shall have an equal share of the goods of the world, but by which the means of production shall be OWNED BY ALL SOCIETY, and thus shall be used to promote GENERAL WELFARE instead of frequent MISERY and WANT.

That this tendency toward Socialism is growing is suggested pointedly in this warning to capital by the leading financial paper of the country and organ of the moneyed interests, the Wall Street Journal:

“We have believed for a long time that Socialism was bound to become more and more an issue in this country, an issue which the conservative forces in politics and in business would be obliged to meet, and which they might find it difficult to overthrow. The best way of combatting Socialism is to remove those conditions which are favorable to its growth. Competition and Socialism represent the two extremes of economic theory and practice. The hope of the Socialists is in a complete breakdown of the competitive system, and hence it is that they welcome the growth of monopoly. They believe that the capitalists, who are building up the great corporations, and concentrating the control of the productive and transportation interests of the country into a few hands, thus steadily reducing the area of active competition are doing the preparatory work for Socialism. Let the forces of capital, they say, build up the monopolies, thus overthrowing competition, and then the people will step in, overthrow the monopolies and establish the regime of Socialism.

“There seems to be no escape from the logic of this statement. Monopoly is only the advance agent of Socialism. What, then, should be done to meet this condition? It seems to us as if some of our great industrial and financial leaders are either strangely blind to the signs of the times, or else exaggerate their own strength, trusting in their ability to defeat Socialism in any square test that may develop in the future. They are, at any rate, as a class, steadily resisting any movement intended to enlarge the area of competition, to limit the power of the corporation, to extend the scope of publicity, and to bring interstate commerce more and more under reasonable government regulation. These measures are the only ones which appear at this time likely to check the spread of Socialism in this country by preventing the further progress of monopoly.

“There are only three possible alternatives:

“First—A further concentration of the control of production and commerce in this country, so as to produce a condition in which competition shall be reduced to a minimum.

“Second—Socialism, the seizure of the machinery of production and transportation in the name of the state, the establishment of the collective commonwealth.

“Third—A system in which capital shall have the liberty to combine in corporations, but shall be subject to a law of publicity, compelled to account for its acts to the people, and held under reasonable government regulation, so that a proper balance shall be preserved between concentration and competition.”



## CHAPTER XXXVIII

### GRAFT IN AMERICAN CITIES.

*The Plundering of the Private Citizen—Public Conscience Aroused—Philadelphia Corrupt but no Longer Contented—Signs of Hope for the Future.*

THERE is a word which was originally innocent, but which of late years has come to have a meaning so offensive and so tainted that the very sound of it has become a stench in the nostrils of honest men. It is the word "graft," which by an extension of applications has come to mean almost every phase of public and private dishonesty outside of the lines of statutory crime, and, indeed, often crime as well.

In the earlier days the use of the word was limited to the thrifty and wholesome science by which horticulturists modified and improved the fruit trees under their care. This involved the draining of the sap from a parent stalk into a limb from another tree which would thereby be supported by the borrowed nourishment.

The parallel is a plain one. Graft today means the draining of the sustenance from one source into a parasitic personage who seeks to obtain profit, not out of his industry, but out of the thrift of someone else. Sometimes it might be characterized as blackmail, sometimes as bribery, and sometimes as thinly-veiled theft, but always it is predatory upon private and public resources.

It is quite possible that the thing itself has always existed in some form or other, but apparently, of late years, there has been an extension of the practice into channels heretofore free from the offense. In greater or less degree it is to be found in every country, but here in America, where we have free institutions that we prize, and a pride in our national thrift, vigor and honesty that amounts almost to braggadocio, the offensive growth has waxed more sturdily than in any other country which is blessed by Western civilization.

The redeeming fact is that with the growth of the evil there seems to have come a corresponding growth of appreciation and realization. Today the forces of decency and honesty are bestirring themselves as never before, to exterminate the vicious practices that are lumped together under the general tainted title of "graft." The press is thundering at the malefactors. Public speakers in all walks of life are devoting attention to the same subject.

The people indeed are becoming aroused to the just indignation that should be visited upon the evil-doers alike in high and low places.

The ramifications of the spirit of graft are manifold. They crop out as definitely in private enterprises as they do in public affairs. But inasmuch as the public is concerned chiefly with public interests, let us first survey the facts that have been developed in certain investigations where the grafters were preying upon the public welfare. No writer can discuss this general subject fairly without expressing a debt to the noteworthy work done by Lincoln Steffens in McClure's Magazine, through which publication he gave utterance to discoveries perhaps the most significant that have yet been made in this line. With the temperament of a judicial observer, Mr. Steffens sought the truth wherever he could find it, and wrote without fear or favor the facts as he saw them. But neither Mr. Steffens nor any other writer could discover or tell all of the truth, for the facts are continually developing, and graft is as truly progressive as is any other industry. Let us take an example which will at the same time illustrate this point and also show the shamelessness of the grafters and the hope of honest men.

One of the most conspicuous of Mr. Steffens' disclosures related to Philadelphia, which he characterized as "corrupt and contented." Even while this volume is approaching a conclusion, new developments in Philadelphia show conditions which have arisen of late, quite as bad as anything disclosed in the investigations of 1903, if, indeed, not worse, and at the same time a revolt has been stimulated which promises to lift Philadelphia out of the mire and raise it to the proud estate which it ought to occupy.

For many years all of the larger American municipalities have pointed at Philadelphia as the worst governed and most thoroughly corrupt city in the land. This fact has been almost universally admitted, and it has been doubly significant because this is the most American of all the large cities, having nearly one-half of its population of genuine American stock, native born, of native born parents. Furthermore, Philadelphia is a prosperous city, a city of homes without crowded slums of the worst sort, an aristocratic city, and a historical city with American traditions and a place in the American fight for freedom from British rule. And yet in spite of all this the political and civic corruption of this great American city has stood at the very top of the disgraceful list and the honest people of Philadelphia have rested in complacency, doing little to emancipate themselves from their slavery to corruption.

By unquestionable evidence we have it clearly proven that the control of the polls in Philadelphia for years has been absolutely fraudulent, with little pro-

test against the offense. The profit of graft and fraud in such a city comes from thievery in public contracts. The various systems and contracts by which the civic conveniences are furnished, such as water, light, paving, transportation, order and safety, have been farmed out to the leaders of the political rings by methods in which apparently every department of the municipal government, including the judiciary, participated in the frauds. It is impossible to charge any particular political party, or church, or nationality, with sole guilt in this matter, for apparently people from every circle have participated in the plundering processes. Furthermore, the local leaders have been in partnership or subordinate to the state leaders, so that the graft ramified into state and even national politics. It is almost futile to name individuals as chiefly responsible, when as a matter of fact even those who control the operations are but part of a system for which every citizen shares the responsibility. It does not seem unfair to say, however, that such national figures as the late Senator Matthew Quay, and Samuel H. Ashbridge, who served as mayor for four years, have been involved in the severest charges, the former even being indicted.

The Municipal League, which is an organization in Philadelphia striving for civic decency, published the following summary of the career of Mayor Ashbridge, when his term ended in the spring of 1903:

"The four years of the Ashbridge administration have passed into history leaving behind them a scar on the fame and reputation of our city which will be a long time healing. Never before and let us hope never again, will there be such brazen defiance of public opinion, such flagrant disregard of public interests, such abuse of powers and responsibilities for private ends. These are not generalizations, but each statement can be abundantly proved by numerous instances."

The charges included in this report involve such things as attempted intimidation of citizens, the introduction of gambling into the public schools, the charging of school teachers for appointments to positions, and manifold partnerships with vice of the grossest forms.

Perhaps the most conspicuous detail in the Philadelphia fight was the affair of the street-car franchises, which were passed hastily, almost clandestinely, by a collusion of the state legislature and the city council, Governor Stone and Mayor Ashbridge, and various political leaders of the ring. Without remuneration to the city these franchises gave away rights to the streets of a tremendous value. In the effort to block the scheme, John Wanamaker made a formal offer of \$2,500,000 for the franchises which were being given away.



The mayor threw his letter into the street unread, and the offer was refused. Next the state legislature passed a ridiculous law manifestly intended to muzzle the press, and all honest critics of the corruption that existed.

Then came the election of a new mayor named John Weaver, chosen by the ring, but apparently promising to stand by the people when frauds should be attempted. It is interesting to note that for two years his administration did little to justify the hope that had been placed in him. But in the spring of 1905 came his opportunity to prove his good faith. A measure was before the city council by which certain gas franchises were to be given away, as lightly as were the street railway franchises two years before. At last the city seemed to be roused to some realization of what was going on. Mass meetings were held everywhere to attack the nefarious scheme. Citizens attended the council meetings, and dangled ropes with nooses at one end, over the gallery railing.

Says one dramatic account of the uprising: "Philadelphia has at last responded to the rising national tide of civic conscience and civic consciousness. The great, dumb, comfortable mass of small-incomed families was moved. A machine morning paper, which after some days of silence incautiously espoused the cause of the machine on a critical morning, had nearly five hundred postal cards stopping the paper the next morning, and it never spoke again. In schoolhouses after school hours the children of councilmen who had voted for the lease went crying home, because no child would play with the sons and daughters of a gas thief. Councilmen in grocery and provision stores found their patrons suddenly gone. Men were expelled from clubs and benefit orders, and warned to resign from ward celebrations of Memorial Day. One blatant supporter of the lease in the council found his ward placarded with his picture, his house, his political headquarters and his business place. The streets he passed over daily were noted, the hour given, and every citizen asked to stop him and say, 'Why did you vote for the gas lease?' This and nothing more, men did, by the dozen and the score. For one day he was brutally defiant, for another irritably bellicose. But no man can stand being asked why he is a thief by everybody he has known from childhood, and by the third or fourth day he had capitulated, sought the mayor, and agreed to support his veto. This uprising from below of the great throng, would, after all, have failed without a leader. For two years Mayor John Weaver had been a man numbed by hopeless conditions and under the personal influence of a shrewd, masterful boss. But he was a man of principle, and he was treated with studied insolence by men who despised his principles. When the hour struck he

acted, and, as with all men who act, the city rose to him as one man. Suddenly in a week Philadelphia knew itself. The dumb driven city became a sentient thing. The council which had passed the lease collapsed. The machine was smashed."

Of course not all of this successful fight against corruption in Philadelphia was carried to a conclusion without temporary defeats and hard struggles. Nevertheless, the fact that the glaring \$25,000,000 gas steal aroused the citizens of Philadelphia to be no longer contented in a state of corruption, of which they were victims and for which they were largely responsible, is an evidence of what can be done in other cities where graft has been hardly less shameless.

The very titles of the chapters in Mr. Steffens' quest are significant of the form the fight has taken—"Tweed Days in St. Louis," "The Shame of Minneapolis," "The Shamelessness of St. Louis," "Pittsburg a City Ashamed," "Philadelphia Corrupt and Contented," "Chicago Half Free and Fighting On,"—these are characteristic titles under which some of the disclosures have been published to the world.

In each of these cities there have been characteristic facts peculiar to the place itself. For instance, St. Louis was struggling against the corrupt awarding of municipal franchises. In Minneapolis the trouble was a foul partnership between the corrupt city administration and the worst haunts of vice, in which the profits of the vice were divided with the officials. Pittsburg was cursed with more or less of both of these troubles, when the citizens roused themselves to attempt a betterment of things. In Chicago, as in St. Louis, it was a dishonest council with which honesty had to contend, but those conditions have been corrected in large degree by an awakened civic sense, led by an organization called the Municipal Voters' League.

We have used Philadelphia as an example of corruption and an example of the effort to reform, simply because it stands today so conspicuous in the list. Nevertheless, strange as it may seem, little has been accomplished in one city by holding up the example of another. Each community has had to work out its own salvation, and some of them are still backward in accomplishing this or even in attempting it. Furthermore, it is not the great cities of our country that have a monopoly of vice in the form of graft. All the way up from the country village to the metropolis, the same chain can be traced, differing chiefly in the magnitude of the plunder available in the larger cities, but differing not at all in kind.

Nor is the offense of graft confined to the cities of large foreign popula-

tion, or those in the older and more thickly settled parts of the country. In the waterworks steal at Grand Rapids, Mich., facts just as disreputable were developed as in the worst phases of the Philadelphia affair. Even now Boston is just passing through a conflict over its gas franchises which promises to be as vital to the citizens of that historic center of liberty, the site of Faneuil Hall, as that other fight in Philadelphia, under the shadow of the room where the Declaration of Independence was signed.

In Boston the good citizens have rallied together to support the move for civic decency, but strangely enough they have not had the support of the public press to the degree that they should have had, thanks to the fact that the element opposed to them had command of large sums of money, part of which went to the newspapers in the guise of payment for advertising.

It is not alone in cities, but in states as well, and even in the nation, that the serpent of graft raises its head. In the State of Illinois for years the good citizens have had to fight against the dominance of corrupt political rings between which there was hardly any choice, although they wore the political labels of the two great parties. There is no partizanship in political graft, except as the party label assists in the game. The grafters are never troubled by the ethical principles involved in political controversy. To them the gas franchises, the street railways, and all sorts of public contracts, are legitimate avenues for profit by plundering the public. In Illinois the park boards, the sanitary boards, the drainage canal system, the insane asylum and the penitentiaries even, have been preyed upon by republican bosses and democratic bosses alike, through a system which involves in its organization the federal influence in the state, the state administration itself, and as junior partners the county of Cook and the city of Chicago, with business men, bankers, and public men who pretend to be worthy citizens, controlling the details and sharing the profits, either financial or political.

We find the same thing true in Wisconsin, where for the last few years there has been a most picturesque fight between the people on one side, with Governor Robert M. LaFollette as their leader, and the railways on the other side, with the federal power in the state in close alliance.

In Missouri another governor has arisen to fight the battle of the people, in the person of Joseph W. Folk, who has done more to terrorize the rich and powerful boodlers of that commonwealth than all the other powers that have ever been brought to bear upon them. As district attorney in St. Louis, Mr. Folk was able to indict, convict and send to the penitentiary or drive out of the country as fugitives from justice, a score of the richest and most influen-



tial men of the city, some of them reckoned as merchants and financiers of the highest standing in the community. In doing this he broke up a gang that had been plundering the city and the state for years, and now as a reward for his sincerity he is serving as governor and continuing the good work in broader channels.

Thus it is that we feel justified in saying that there has been a real awakening of the civic conscience in late years, and that there is a prospect for a constant betterment of conditions. Wherever we look we see a brighter outlook in the situation. Those spoils politicians of Philadelphia who cherished the belief that the reform wave would expend its strength in a short space of time, must be considerably exercised over the increasing strength of the movement. There is a pertinent utterance on the subject in the letter written by Grover Cleveland accepting his appointment as one of the trustees of the Equitable Life Assurance Company. In the letter which tendered him the trusteeship, Thomas F. Ryan, who is now the dominant figure in the Equitable, said: "The duties of the trust will be light, as in the nature of things when a satisfactory board is once constituted, there are few changes and all the clerical and formal work will be done by the official force of the company."

Mr. Cleveland does not seem to be particularly impressed with the desirability of having his duties as trustee lightened for him. He accepts on "the express condition that the trustees are to be absolutely free and undisturbed in the exercise of their judgment." In electing directors to represent the policy holders they must be permitted to follow faithfully the policyholders' real wishes. By way of making his attitude still clearer Mr. Cleveland makes some pointed remarks about "the madness of inordinate business scheming" by men handling trust funds. He closes by saying: "We can better afford to slacken our pace than to abandon our old simple American standards of honesty, and we shall be safer if we regain our old habit of looking at the appropriation to personal uses, of property and interests held in trust, in the same light as other forms of stealing."

Stealing is a crude, coarse word, which will shock some modern financiers, but his use of the term shows that Mr. Cleveland has a lively sense of the needs of the situation. That trusteeship, he wants it understood, will be no sinecure while he holds it. There will be no dummy directors and no speculative deals if he knows it, and he thinks he will know it. In short, as a trustee he promises to be as active as the controlling spirits of the Equitable could wish, and maybe a little more so.

It is this sort of a spirit that voices the hope of the nation to eliminate the

poison of graft that has been permeating the entire national life. Every man is a trustee for himself and his neighbors to some degree, and only by the realization of each honest man's obligation to be on guard and alert to protect the right even when he is not himself immediately and personally concerned, can we reach the highest point of national vigor, honesty and success.

## CHAPTER XXXIX

### THE GRAFTER IN BUSINESS.

*Private and Public Graft Work in Close Partnership—Business Men as Boodlers—Juggling With Life and Safety—The Labor Boss and the Capital Boss—Strikes and Strike Settlements for Sale—Higher Standards Needed.*

IT is hardly worth while to speculate as to whether the widespread extension of systematic graft in the political world and in city, state and national affairs, has stimulated the growth of the same method of theft, petty and otherwise, in private affairs, or has been an outgrowth of what might be termed private graft. However that may be, it is certain that of late years the two systems have grown up side by side, with little to choose between them as to the energy with which they ply their nefarious trade.

Graft in business begins with the petty practices of the dishonest purchasing agent who draws commissions from dealers upon all the things he buys for his employer, thereby profiting the more, the higher prices he pays, and the greater the consumption of materials. This is in no way different in morals, though it may be different in law, from the disreputable practices that were unearthed in the United States Postoffice Department only a year or two ago, when it was found that the most trusted of the officials were the worst of the plunderers, and some of them were sent to the penitentiary for their misdeeds.

Even before that, we had seen the astonishing spectacle of a trusted official sent to Cuba to organize the postoffice of the young republic, where the obligation was upon him to be exemplary to the highest degree, violating his trust and abusing the confidence of Americans and Cubans alike. With these examples before us we do not need to be surprised when we find the same thing going on in a smaller way, because the opportunities are smaller, in many other quarters.

It is difficult to differentiate sometimes between private and public graft, and often one party to the offense is in public service while the other is in private business. Examples of this sort are seen in the manipulation of taxation, when professional "tax-fixers" by virtue of some strength, necessarily illegiti-



mate, obtain a reduction of assessments for their patrons, of course at a price. Building and fire-escape inspectors wink at violations of the law for a bribe, waiving safety appliances that may cost a multitude of lives by their absence. But the manufacturer who puts iron filings into life-preservers because iron is cheaper than cork, as was sadly proven in the burning of the "General Slocum," is no better and no worse than the inspector who passes them and shares the profits.

The mental attitude of some of our "best citizens" on these and kindred points is sometimes a surprising one. They are often quite unable to see that the man who gives a bribe is as bad as the man who takes it, even if the giver is literally held up to pay for a legitimate object. The writer has in mind the position taken by one business man who is prominent in mercantile and manufacturing circles in Chicago. He needed a switch and side-track to a certain factory, in a place where such conveniences were proper, and recognized as necessities. An ordinance was required and he was quite prepared to pay the city's price for the permission, whatever that might be. But the ordinance was "hung up" in committee, week after week, with no sign that it would ever be reported. Finally the fact was hinted to him that he needed to see the chairman of the committee, which he did, receiving the information that compensation to the city was unnecessary, but he must pay the price for putting the matter through the council. He did this, and in conversation justified himself for doing so by the fact that his request was a legitimate one, his need imperative, the delay disastrous, and he had to do as others did. To the suggestion that he should have fought the matter to the end for an honest solution, he answered that he could not afford the cost in time, publicity, enemies, and the resulting troubles, and that it was none of his business any way. Manifestly just as long as men who claim to be worthy citizens take that attitude, we cannot expect much in the way of improvement from the professional boodlers and grafters.

It is a stern arraignment of the American "business man" that Mr. Steffens makes in one of his utterances. After dismissing what he terms "the hypocritical lie" that the foreign element in our population is responsible for our graft and corruption, he says: "Another conceit of our egotism is that which deplores our politics and lauds our business. This is the wail of the typical American citizen. Now the typical American citizen is the business man. The typical business man is a bad citizen; he is busy. If he is a 'big business man' and very busy, he does not neglect, he is busy with politics, oh, very busy, and very business-like. I found him buying boodlers in St. Louis,

defending grafters in Minneapolis, originating corruption in Pittsburg, sharing with bosses in Philadelphia, deploring reform in Chicago, and beating good government with corruption funds in New York. He is a self-respecting fraud, this big business man. He is the chief source of corruption, and it were a boon if he would neglect politics. But he is not the business man that neglects politics; that worthy is the good citizen, the typical business man. He is too busy, he is the one that has no use and therefore no time for politics. When his neglect has permitted bad government to go so far that he can be stirred to action, he is unhappy and he looks around for a cure that shall be quick, so that he may hurry back to the shop. There is hardly an office from United States Senator down to alderman to which the business man has not been elected, yet politics remains corrupt. The business man has failed in politics."

Again, after relating the story of the regeneration of the city council of Chicago, where important reforms to honesty were accomplished and are not yet appreciated throughout the country, Mr. Steffens says: "How do the 'big business men' like it in Chicago? They don't like it at all. I spent one whole forenoon calling on the presidents of banks, great business men, and financiers interested in great public utility companies. With all the evidence I had in other places that these men are the chief sources of corruption, I was unprepared for the sensation of that day. These financial leaders of Chicago were 'mad.' All but one of them became so enraged as they talked that they could not behave decently. They rose up and cursed reform. They said it had hurt business, it had hurt the town. 'Anarchy,' they called it; 'socialism.' They offered me facts and figures to prove that the city was damaged. 'But isn't the reform council honest?' I asked. 'Honest! Yes, but h—!' 'And do you realize that all you say means that you regret the passing of boodle and would prefer to have back the old corrupt council?' That brought a curse or a shrewd smile, or a comical laugh, but that they regretted the passing of the old boodle regime is the fact, bitter, astonishing—but natural enough. We have seen those interests at their bribery in Philadelphia and St. Louis; we have seen them opposing reforms in every city. Here in Chicago we have them cursing reform triumphant, for, though reform may have been a benefit to the city as a community of freemen, it is really bad; it has hurt their business!"

It is the sort of an influence—the tremendous growth of graft in politics and in business, with the resulting callousness upon the conscience of the multitudes who participate in it, that is manifesting itself afresh in other fields of

endeavor. Employer and employee alike, in varying degree, must share the responsibility for the shocking things that are alleged and developed as to graft in the industrial world. The honest workman cannot shift to his business agent or walking delegate all the blame for the corruption that creeps into the union movement, any more than the honest business man can escape his share of guilt in the lawless methods that may be used by the lawyers or agents employed by his association and paid from the treasury to which he contributes.

It is no part of the writer's duty to strike a balance here between employer and employee, or to determine where the greater blame lies for the evils that are perpetuated in the war between capital and labor, in which the public in the mass always is the sufferer, and always in the end pays the bills. Every candid man knows that there is enough of blame on either side, and merit at times in the contentions of both parties to the conflicts. All we can do here is to relate some of the phases of the conflict in which the characteristic American evil of graft has played a part.

The peculiar power placed in the hands of the trusted business agent of a union and the manager of an employers' association, with the obligation they seem to feel to win every contention at all hazards, has stimulated and made possible much in the way of improper manipulation of the money and the authority of command. The organizations have been less curious about the methods employed and the disposition of the money expended, than they have about the results obtained. As a natural consequence of the application of the old phrase, "You must fight the devil with fire," there has been a tendency on each side to use lawless and extreme methods to accomplish the ends sought. In earlier pages we have written at length of the crimes of capital and the crimes of labor. But it would be impossible to relate all the details of the charges that are bandied back and forth between the opposing forces, or to follow into all its branches the slimy trail of graft that can be traced across the whole history of recent conflicts.

We do not need to go back to the case of the notorious Sam Parks of New York to find an example, though he has been a conspicuous figure in the list, characterized as he was by courage, recklessness and greed. During the spring and summer of 1905 the teamsters' strike in Chicago, with its attendant difficulties, disorders, negotiations and investigations, brought out evidences of plot and counterplot which showed the blight of graft at every hand. Upon one side the charge was made categorically by certain labor leaders that employers had offered large sums as bribes to induce the calling of strikes



against their competitors in business. This was made with special regard to one large mail-order house, the claim being that the management had offered the sum of \$10,000 to the union leaders and the strike fund if a strike would be declared against the most conspicuous rival in the same business. Of course the charge was denied and indeed indictments for criminal libel were returned against the ones who voiced them, but in various ways they have been reiterated against others. Again, it was charged in detail by labor leaders and others, that the great strike of coal teamsters against the huge office buildings of Chicago, by which the latter were forced to abandon the use of natural gas for fuel, and take coal instead, was inspired and paid for by the most prominent coal dealers of the city for their own profit.

On the other side, it is alleged with equal definiteness that some of the labor leaders have offered strikes for sale as a virtual business, or have agreed to avert strikes for money paid to themselves, or have called off the strikes when paid to do so, irrespective of the merits of the cause or the interests of the unions they were purporting to serve. Money has been spent lavishly in private dissipation by some of the more reckless labor leaders, and the only source from which it could come is the treasury of the unions or graft from employers.

The most conspicuous charges centered around the name of one John C. Driscoll, not a labor leader, but a "commissioner" who dealt with unions as a representative of employers. He testified before the Grand Jury in the Chicago investigations, in a way to throw much light on the subject. In his days of influence he seems to have acted on the broad general principle that industrial peace had a cash value to employers of labor. Whenever a client of his was threatened with a strike, he undertook to smooth away the difficulty if provided with the necessary funds, and he applied the funds where he thought they would do the most good. Ordinarily he prevented a strike, according to his own story. Equally satisfactory results were produced, he says, when there was a strike to be brought to an end. According to Driscoll his methods have resulted in peace on hundreds of occasions.

There are employers who defend such actions. They agree with Driscoll that if labor leaders of a certain sort need to be placated, it is the business of the expert employed for that purpose to establish a friendly understanding at the lowest market rate. As to the methods employed the man who draws the check is studiously incurious. He gets what he pays for and asks no questions. Just as he has a lawyer to look after his interests in court, he has an agent to fix up his labor troubles. Strikes are annoying and costly. He prefers not to

have them, or at least to get them settled as quickly as possible with the aid of his agent and his check book.

That is the immoral way. The employer has no right to disavow responsibility for the methods of his agents. To assume that trades union leaders are corrupt, and to buy them off, is to bring corrupt men to the front in unions. Clearly it is to the interest of an honest employer to deal with honest men when questions relating to his working force are to be considered. He has no right to pay blackmail or tribute of any sort to keep from meeting an issue, even though that issue he raised for a dishonest purpose. Until this attitude is taken and maintained, we cannot bring graft in the labor world to an end. It is equally imperative that the honest labor union men disavow and eliminate from their ranks the men who use or accept bribery and graft, even for the apparent profit of the unions. Sam Parks went to the penitentiary, after a career that involved grafting upon the labor unions whom he represented, and the employers who were equally his clients, as it afterwards developed. Hundreds of thousands of dollars were won and lost in the graft practices that obtained under his regime, and he was the largest sharer in the plunder. And yet he was tolerated and even upheld throughout the unions he pretended to serve.

In the last analysis, the American public, of all ranks in life and labor, will surely revolt against these nefarious practices that lower the whole tone of honesty and decency. It is in exposures, publicity and education to a higher standard of integrity, that we see hope for the future.

## CHAPTER XL

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### WHAT ARE YOU GOING TO DO ABOUT IT?

*Plutocratic Impudence—Education must be the Foundation to the Solution of Present Day Evils—Broadening of Government Power—Publicity the Best Cure for Graft—The Same Brand of Honesty Needed for Public as for Private Life.*

A GENERATION ago "Boss" Tweed, who ruled Tammany Hall and New York City as if a municipality were nothing but a private enterprise for personal exploitation and gain, when remonstrated with for leading the city into a reign of boodle such as seldom has been duplicated, gave utterance to the historic phrase: "What are you going to do about it?" Manifestly this was a piece of effrontery which shocked the public. But, erude as it was and outspoken, it depicted the type of business, political and social unfairness which existed then and still exists, even though under the guise of philanthropy and uprightness. When "Boss" Croker of Tammany Hall in more recent history definitely suggested that everything he did in politics was for the benefit of his own pocket, and at the same time expressed a lively and honest interest in religion to the point of asking the renowned orator Bourke Cockran to combat the agnostic teachings of the late Robert Ingersoll, there seemed to be an inconsistency in the man which few observers could understand. When one of the Vanderbilts, piqued into an unfortunate remark because a special train on which he had prided himself had to be withdrawn from service through lack



of patronage, said, "The public be damned," he expressed something of this seemingly inexplicable attitude of antagonistic classes in modern civilization. Between these varying phases of impertinence which range from downright criminality to the unfair absence of a consciousness of a duty to be performed, there are many steps, which in themselves appear insignificant, but which lead definitely toward a given goal.

When James J. Hill resented the attitude of President Roosevelt in seeing that the anti-trust law against combination in restraint of trade was carried out, even though it necessitated the dissolution of the greatest railway merger ever known, and viewed the railway business as his "own business," the distinction from the other phases of unfairness was small. The same thing held true of the attitude of the members of the Beef Trust in believing it within their province to restrict trade, contrary to law or otherwise, for the benefit of their fast-swelling purses. The example of plutocratic impudence carried out to its logical conclusion as seen in the history of the Equitable Life Assurance Society probably has no equal in the annals of so-called legitimate "high finance," though we find reputable people practically calling for the ostracism of the men who attempted to plunder the investing public through the scandalous but "modern" business methods used in the flotation of the securities of the United States Shipbuilding Company.

In many directions we find the same disease eating its way. The grafter in Philadelphia keeps brazenly at his work, confronted by a hundred hangman's nooses, and only desists from robbing the city, not only of its wealth but of its fair name, when the logical force of Might—the populace—insisted upon its rights. No greater arrogance, even though it be less glossed over by superficial refinement, exists than that shown by many of the leaders of organized labor. This is met by the same degree of stiff-neckedness on the part of the capitalistic class which insists "this is my business." But this class cries out in horror when an indignant public demands to know how a Rockefeller honestly can accumulate the wealth of half a dozen states in a lifetime. The employer and those who justify his methods deem he is doing humanity a great service by "giving work" to wage-earners. The wage-earner insists upon the right to labor. The employer cries out against the boycott as un-American, forgetting that the refusal of the people of the American colonies to buy products from England was one of the most effective weapons aside from bloodshed used to gain freedom through the War of the Revolution. And while the trust promoter and "high finance" banker "water" stocks so copiously that the term has become synonymous with robbery; while stock manipulation goes on dishonestly

in Wall street, and the corporation manager, blinding his stockholders, issues the "official denial" which is tantamount to downright falsehood, the labor leader frequently advocates slugging, often selfishly restricts logical progress and carries business war forward constantly in such endeavors as will gain a temporary victory, as say, in the resistance of the policy of the "open shop." In the meantime the whole land trembles and cries for a "square deal."

At this point the query, "What are you going to do about it?" comes not from the impudent malefactor but from one and another of the vast majority, which by the power of Might make their edict Right—from the millions of sober minded Americans who by right of birth or naturalization have vested in them the power to declare their sovereign will operative for the benefaction of all society. Such a question, perhaps, is the natural query that springs up in the mind of every person, who, roused by the cry for the "square deal," seeks through the medium of this book to know more concerning the great domestic problems which confront the nation today. Indeed, the problems before the American people for solution differ but in degree from those which are before the civilized nations of the world.

It follows almost without saying it specifically that the existence of a demand for such a book as the one here presented presupposes a somewhat general admission of the fact that education must be the foundation stone on which any scheme of solution of present-day evils is to be built. If the reader has seen anything of evolution in the foregoing chapters there must have been more than a hazy suggestion that the demand for knowledge which shall work for good citizenship, which shall result in good character-building and enlightenment to the point that action may be taken logically to remedy existing evils, is abroad in every part of the land. Perhaps those into whose hands this volume will fall and who agree with this assumption believe that the desire for knowledge is no sooner expressed than it may be gratified. Several obstacles, however, interpose to prevent as definite progress in this direction as is desired. Poverty, no matter what may be the cause, is one of these difficulties, and at the same time it is one of the ills which through education we seek to ameliorate. There is one school of philanthropists which, now that America has developed a type of its own making through the commingling of most of the white races and some other races, seeks to prevent poverty by restricting immigration of certain so-called "undesirable" people from other countries. The laws of the nation already limit this immigration to a considerable degree; paupers, criminals, diseased persons, contract laborers and several other types being barred. Another school of sociologists holds that while criminal or vicious individuals

should be kept from the country, it is an admission of faulty logic when the sin of poverty can be stamped out only by such preventive methods. And closely allied to these thinkers are those who cry out upon the coincidence of congested tenements and palaces of the millionaires in the great cities and the broad acres of the rich man's country estates side by side with vast unused spaces where the poor would not find themselves shelterless so long as they had the free use of their limbs.

But in the plea for education it is not alone the impoverished man who must be reached, for it is not always this class that is most ignorant of conditions which must be understood before some of the worst evils of modern society will find their remedies. Clearly one thing must be understood concerning the attitude of the so-called lower classes. There is an influence at work apparently to create a class instinct among wage-earners, if that instinct does not, in fact, already exist. This instinct does, or will, work for whatever will be either of temporary or of permanent interest to the wage-earner. Up to this point it has worked principally to create organizations of the trade-union type, to gain any advantage possible for members of the union, by peace methods if possible, but by war methods if necessary. Edwin Markham catches this spirit of the wage-earner in his poem "The Right to Labor in Joy," the lines of which we print with the view to setting forth by indirection what must be some of the unflinching demands of the wage-earner upon society:

*"Out on the roads they have gathered, a hundred thousand men,  
 "To ask for a hold on life as sure as the wolf's hold in his den,  
 "Their need lies close to the quick of life as the earth lies close to the  
 stone;*

*"It is as meat to the slender rib, as marrow to the bone.*

*"They ask but the leave to labor, to toil in the endless night,  
 "For a little salt to savor their bread, for houses water-tight.  
 "They ask but the right to labor and to live by the strength of their  
 hands—*

*"They who have bodies like knotted oaks, and patience like sea-sands.*

*"And the right of a man to labor and his right to labor in joy—  
 "Not all your laws can strangle that right, nor the gates of hell destroy.  
 "For it came with the making of man and was kneaded into his bones,  
 "And it will stand at the last of things on the dust of crumbled thrones."*



In many quarters one hears the ready assumption that "a man gets about what he is worth" and that "evolution" and the law of "survival of the fittest" will take care of the fundamental matter of labor and the fruits thereof. It is not our purpose here so much to consider the ethics of the problem of which poverty is one of the principal phases, as it is to point out that the conditions that develop poverty to a great degree are working definitely as a tremendous force in its solution and in answering the question of "What are you going to do about it?" Granted "undesirable" immigrants come to this country from the worst classes of the peoples of Europe. The causes back of their coming are manifold and will have to be removed at least in part before other malefactors can hide their sins under the cloak of this evil. In the first place, America is the "land of the free." In the next place, in hundreds of thousands of cases immigrants are tempted to come to this country by wicked misrepresentations of people who will be benefited by their coming—principally employers seeking labor in the cheapest market and constantly using dishonest means to get labor at what is termed the "living wage."

Obviously, however, the day has gone when the wage-earner is going to be content with simply existing. With the progress of the world in every direction it should be apparent to the most ignorant multimillionaire—and here it may be said that as concerns the desires and ambitions of the poor the rich are the most ignorant—that no longer will a bare "living wage" suffice for the wage-earner. If, perchance, the workman desires college educations for his children and Beethoven music for himself, nothing short of this can constitute the modern "living wage." Undoubtedly this is the fundamental impulse that now is developing what some please to call a "class consciousness" among those who do the work of the world. It is this surge which has held together the trade union as a makeshift toward getting better conditions for labor until a more perfect way can be evolved.

With this somewhat slow awakening to needs for a higher sort of existence than that of dumb brutes and meager and imperfect means for obtaining them, there has come another awakening which the present dominant class cannot overlook. This is the awakening to the fact that wrong has been committed in high places. As has been outlined in the foregoing chapters, a wave of infidelity to the obligations of trust has swept over the country. There appears to be an easy set of business morals at work in many quarters today. It has been said truthfully that "men who recognize and obey the highest demands of honorable conduct in the discharge of the duties of a trustee under a will or the guardian of an infant, seem to set up a different standard when serving as director or

agent of a corporation." In feudal Europe there were two principles at work to keep the demands of the populace in check: "the king can do no wrong" and "I rule by Divine right." It has been said that while these have given way long since, they have given way to new principles which run something in this fashion, "the kings of industry can do no wrong" and "we rule by divine right of high finance." People do not like the idea of a self-perpetuating, irresponsible monarch in business any more than they like the absolute monarch in government. The eighteenth century saw the movement for freedom from political despotism and this twentieth century is witnessing the movement for freedom from financial despotism. And when we find the wage worker bent upon a higher scale of life and crying out upon the faithlessness to trust in high places we find potent instruments for furthering the evolution which we are witnessing.

Thus far education has been reciprocal and all present signs point to a continuation of this tendency. In days of feudalism the educative forces of civilization were dominated by the overlords who retained the educators. Concessions from existing conditions to the underclass came slowly and education wrote into the ethics of the ruling class new doctrines of liberty generally only after liberty had been achieved. Today it is quite patent that the dominating class, the capitalist, works through education as well as through social, business and legal influences. This being true, we may expect to see ideas favoring anything beneficial to capitalism as the dominant system of economics working constantly in law, in education, in morals, in general business. Because of this we find more and more the dollar the goal of all ambitions. In the question of this goal we find many people who do not use the rules of the game of present-day competition. In fact, as pointed out heretofore, we find the motto in many business quarters to be "business is war." Naturally here arises the question as to what can be secured by education at this juncture.

Briefly put education must raise the general level of humanity to a considerable degree, but in current events it appears to be disclosing to the lower order of intelligence the questionable methods employed by the dominant class to get whatever of the good things of this earth are available to Might. Thus, while the wage-earner is confronted with the goal of his employer, he is also tempted to use the means his employer has used to attain that goal. Before education, therefore, is to work a good influence on the lower classes, it is barely possible that the dominant class must learn square dealing.

But at once the disciple of educative methods for relieving social ills is confronted with fact that even legal methods can be used to benefit the more powerful class. When the strongest party desires certain legislation it can legally

secure that legislation by force of controlling public opinion. Therefore the class instinct in the wage-earning class finds it to the interest of this class to work through legal means to secure every possible advantage over the capitalist class. Obviously, education among the wage-earners is developing to a knowledge of how to use the right to vote to the best advantage. Today as never before there is a spirit abroad among the wage-earners to awake to the natural power placed within the reach of all Americans to create, by means of the electoral franchise, conditions which will favor them instead of the employing class.

Here we find up to the present time the existence of the idea that the interests of capital and labor are conflicting rather than identical. And at this point it is perhaps permissible to state that on this rock many schemes for improving existing conditions have been wrecked. Naturally it is to the advantage of the capitalist class to educate the wage-earner to view the present system of distribution of wealth as the only feasible one. But the wage-earners, and many others for that matter, express grave doubts over the stability of the capitalistic system of wealth distribution. Therefore we find educative forces among the wage-earners working to build up a sentiment to destroy this system and place in its stead one which will not permit of such glaring inequalities as exist between the capitalists and the wage-earners today. Apparently this results in working in a circle and leaves class antagonism where it started, bent upon the mastery of the situation by the most powerful. And to some degree this assumption is based upon known tendencies. If capital is being educated to consider the needs of the poor in order to set a better example to the wage-earner, the working class is being educated to the power of the ballot. For there is no doubt that the wage-earners are in the majority and that therefore they can legally declare *Might be Right* and vote to make even as sweeping changes in existing conditions as the confiscation of public utilities and other tools of production and thereby displace the present system of capital domination by community ownership.

This, indeed, is being accomplished in some measure by municipal ownership in many cities of Europe and some cities in this country. Many a town owns its water and light plants, small parks and neighborhood settlement houses, and some of them operate street railway systems. What we seek to learn from these developments is to ascertain to what extent this phase of social life is a criterion of the future functions of government. In the foregoing chapters what has been the dominant note struck by history itself? In the cases of the investigation of the Beef Trust, the Standard Oil Trust, the Life Insurance Trust, of the prosecution of grafters and of the interference between employer and employe



in the clash of conflict we find definitely a tendency for government in some form to interpose its influence. We find many laws in existence to prevent combinations in restraint of trade, laws against trusts and monopolies, when actually there are great savings in the methods used by the trusts and monopolies. Why is this? Emphatically because the lawmakers of the country fear that people will not be fair enough to each in the quest for dollars to be left to themselves in charge of great power without the restraining hand of the law.

This brings us to the conclusion that, whatever is to be the ultimate future of social conditions, government regulation is to play an important part for some time to come. By this we mean the supervision of governmental forces over the business of the country. There are those who believe this will be but a makeshift in the course of evolution, that the eventual trend is for government to assume any and all duties that will make for the happiness of all. Specifically it is pointed out that in an industrial millennium equal opportunities will offer for every person to achieve easy conditions of life. But in the meantime, for instance, while strife between capital and labor goes on, it seems quite likely that the suffering public will demand such government intervention as will go to the point of forcing contending interests to arbitrate their difficulties, regardless of the plea of one side that "there is nothing to arbitrate."

Briefly, therefore, it may be said in answer to those who ask "What are you going to do about it?" that the question is being answered daily through actual progress, although that progress may be slow. In the first place we find the general weal calling for education in order to handle perplexing problems with something of sanity. Then we find that although there is a class war between capitalist and wage-earner the public calls for the use of the ballot instead of the shock of physical combat. And, furthermore, we find a definite tendency for the public to lean so strongly toward governmental regulation of monopolies and other powerful combinations that government ownership is advocated and adopted in many quarters.

Now the obstacle that confronts the advocate of a general advance toward such a community ownership as is suggested by Socialists comes from the dread of graft among the politicians. Those who are combatting the socialistic tendency use the argument that as a people we are not fit to govern ourselves to the point of owning and operating all utilities, lest graft creep in and debauch the country. Doubtless the examples of graft today have made this fear seem based on something definite and lasting. But at this point publicity, which is the accepted cure for temporary ills, is advanced as the preventive of grave abuses in a more ideal community. Whatever the tendency toward this ideal

may be, it is evident that the bulwark of democracy today is publicity. For one thing, the public as a whole is too honest to countenance graft, "high finance" robbery or arrogance in bribing employer or slugging labor leader if the facts are laid bare. Corruption cannot bear the light of publicity any more than darkness can withstand the rays of the sun. Self-interest will not permit of general wrong. This corruptionists have seen long since, and as a result they have bought up newspapers and other means of publicity either to stifle the cry for the "square deal" or to start a counter-cry which will drown the honest complaint. Venality exists with the press as everywhere else. But eventually it becomes known.

There are times when publicity is hard for misfortunate or dishonest people or corporations. The stock company which is thriving finds publicity easy; it is when the company runs upon hard times and financial statements show up poorly that the rub comes. As President Wilson of Princeton University says of the corporation manager: "If we are to give them our money we must at least trouble them to let us see their consciences." The Rockefellers and Havemeyers who view publicity as a sin against "big business" ask the public to trust the corporate manager while such rottenness creeps into high finance as in the case of the Equitable Life scandal. John E. Parsons, counsel for the Sugar Trust, says: "Give me a body of honest men who are perfectly trustworthy, and I would be willing to invest money with them without going very deeply or minutely into prospectuses or reports." Of course honesty and probity are the most essential things in corporate management as in private life. "If all men were absolutely honest as well as able," says the Wall Street Journal; "if all directors felt their responsibility as trustees of other people's money as keenly as they appreciate their own opportunities for personal gain, then it might be said there was no need for publicity." But publicity is necessary to enable people to know the character of the men directing corporation affairs. Character of course is essential, but we cannot know the character of a corporation which hides behind the veil of mystery and does not disclose its affairs, good or bad, even to its stockholders.

Following close in this line of thinking, we find certain statesmen advocating federal licenses for the interstate corporation, as suggested by Commissioner Garfield. In this line Judge Peter S. Grosscup of the United States Circuit Court expressed his views in McClure's Magazine as follows:

"Let me preface it by saying that against corporations, as corporations, I have no enmity. Modern civilization requires that capital shall be wielded in large masses. The corporation is civilization's method of wielding capital

in large masses. On that account the corporation is here to stay. The only institution in sight to supplant it is state socialism; and state socialism is revolution accomplished.

“But the fundamental basis of the corporation is the institution of private property and the guaranties our government gives to private property. Now, it so happens that the fundamental basis of the thing I have called measurable individual independence, and the opportunity to measurably exercise individual dominion, is also this institution of private property.

“It was the institution of private property that, more than any other secular agency, brought us to civilization; and on this institution, as on a rock, the civilization of the world, and the world’s republican institutions, must continue to rest.

“Now, it is just this institution of private property that is undergoing, at this time, a strain never put on it before. The weight producing the strain is the corporation. Not because the corporation, in essence, is retrogressive and un-republican, but because, in fact, it is un-republican, and for that reason retrogressive also. Not because the corporation is big and growing bigger; but, because, in all this growth of superstructure, the base is narrowing—the proprietorship of the private property of the country, by the bulk of the people of the country, is radically narrowing.

“Thus corporate dominion has, within thirty years, beginning with almost nothing, outstripped agricultural ownership by more than three billions of dollars; and, barring city real estate, comprises now nearly one-half of the whole wealth of the country. In the swing of the industrial system, the corporation has come to be the gravitating force that holds the activities in their orbits. Is it much wonder that, in the eyes of those who look upon the corporation as an interloper, it has come to be regarded as a usurper also—the usurper of what the labor of individual men has created; or, that in the eyes of those who, with clearer vision, look upon it as an indispensable phase of industrial evolution, the way in which the corporation shall hereafter be organized, and the bounds given to its dominion, are coming to be the paramount political problems of our time?

“Nor, viewed purely as a question of economics, can the transformation be ignored. The industrial complaint that has greatest voice today is the danger of monopoly. Corporations owned widely by the people might, perhaps, become monopolies; though I know of no actual instance of a monopoly widely owned. But the antidote of monopoly is competition; and let it come about that corporations be made reasonably safe, and therefore desirable in-



vestments—let it come about that the corporation shall no longer be regarded as a mere financial sinkhole, except for those skilled in its ways—and there will be abundance of capital at hand, as the bank deposits show, to put in the field a competitive corporation, whenever in that field monopoly seems to have established itself. Indeed, the chief reason why any monopoly can now maintain itself is, that besides having a grasp on all the physical sources of productivity within a given field, it has a large grasp, also, on all the financial resources that would otherwise go into the building up of competitors.

“But the transformation strikes deeper than mere economic conditions, or the natural laws that govern monopoly and competition. The transformation of the ownership of a country’s industrial property, from its people generally, to a few of its people only, reaches the bed-rock of social and moral forces on which, alone, the whole structure of republican institutions rests; for, under such conditions, instead of depending, each on himself and his own intelligence chiefly for success, the great bulk of our people, increasingly, will become dependents upon others. Those who possess investible means will come to rely solely upon the great financial institutions; and those who possess nothing but capacity for labor, upon the great organizations of labor. That is paternalism that will eventually divide the country into two hostile camps, the camp of those who have, and the camp of those who have not; the paternalism that speedily descends into actual state socialism or a dry-rotted citizenship as nerveless and squalid as state socialism.

“The first step in the solution of that problem is, that the government obtain a full grasp of the whole subject matter; and this, in my judgment, can adequately be done only by putting aside the five-and-forty bewildering state hands, for the one great national hand.

“The second step, the step for which the first is taken, is to take care upon what kind of corporate proposal the government’s great seal is set—to cut out the stock-jobbing corporation; the water-logged corporation; the mere vision of visionaries; the labyrinthian corporation whose stock and bond issues are so purposely tangled that no mind, not an expert’s, can follow their sinuosities. In short, to regenerate the corporation.

“The third step is to open to the wage-earner of the country the road to proprietorship. The basis of every great successful enterprise is the command: Go forth, increase, and multiply; and to no enterprise can rightfully be denied the fruits of that command.”

In order to weigh the foregoing statement in the just balances of modern development and of the “square deal,” it must be said it expresses, as it sug-

gests, the belief of an exponent of the capitalist class, the ideas of a believer in private property to the exclusion of any other form of property ownership. It is not our purpose here to pass final judgment on what Judge Grosscup decries as paternalism. The one great question before the American public is, what will give the majority of the citizens of this country the most happiness? We have seen that private exploitation of such public functions as life insurance, the postal service, railway lines to the point of discrimination and many others is not to be tolerated. We have seen that logical growth of business constantly tends toward monopoly for the purpose of economy. But we have also heard the emphatic denunciation of abuse of private ownership of monopolies. D. W. Frederiksen, a well-known student of the question of monopoly and trusts, said recently: "Many will doubt whether this (government) regulation is feasible, and will say prices must be regulated by supply and demand and not by law or by the courts. Given FREE competition both by vendors and buyers, this is true, but if the VENDOR owns the ENTIRE WORLD'S—or the entire locality's—supply, the law of supply and demand does not come into play, since it is demand alone, or the buyer's necessity, which fixes the price. The vice of the trusts is to substitute for law of supply and demand, the law of demand merely, and it is in such cases only that regulation by law or by the courts would seem to be necessary."

It is quite evident, therefore, that if, as we know, monopolies do exist, and do command markets and do regulate prices and do work injustice, the happiness of the majority of the citizens of the United States is not conserved. Before final condemnation is placed, then, on the idealistic purposes of those who would like to see so-called "private" business operated more nearly on the "square deal" plan, there are to be heard from at least many thousand voters who, apparently, will insist upon some further test of this bugaboo of paternalism. And it is of necessity that we revert here to the significance of the remarkable demonstration of discontent in the vote of nearly 400,000 citizens for E. V. Debs, the Socialist candidate for President in 1904. As has been pointed out elsewhere, men of affairs consider this a protest against the mismanagement of business by our much lauded "captains of industry." What this tendency, running strong toward Socialism, will bring forth, cannot be known now. Suffice it to say that there are many clear-eyed men among these much maligned "cranks," "reformers," "revolutionists," or what you please, who see the logic of combination and monopoly in business as definitely as does the leader of business himself.

But there is one great difference between these classes. The captain of industry is always working for his own interest, and many of his type will use questionable methods if there be a dollar in it, whereas the "dreamer" at least preaches "an equal opportunity for all" and teaches daily a working lesson on the "square deal."

To recapitulate, we would record the tendency of the times to be about as follows:

1. Industry today is better regulated for the production of wealth in abundance than ever before in the history of the world. Monopoly and trusts are economical and are here to stay.

2. Although the world is producing more than ever before and doing it more economically than had been dreamed of a decade ago, the inequality between the rich and the poor—the wage-earner and the employer, the toilers and the idle classes, perhaps never was more marked.

3. Coincidentally with this great inequality, human beings have been turned into mere machines, men created in the image and likeness of God have been marred in soul and body beyond the recognition of their divine nature—all to the glory of that demon Mammon.

4. And still further, and also coincidentally with these developments, crime has entered to separate employer and employe; graft has crept in to trample upon the legal rights of citizens, legal murder has been committed in the name of the "divine right of high finance and big business," and the fountainhead of liberty again and again has been tainted in a hundred different ways.

5. But while the more intelligent people of the country, and, therefore, those who are more strictly answerable to God and man for their deeds, have trodden down the poor and laid waste the homes of father, mother, sister and brother, the populace has awakened to the enormity of the sin.

6. Remonstrance against the unfairness of modern business and social systems has become general and the cry for the "square deal" has gone up from almost every quarter of the country.

7. While demands for fair dealing have been loud and frequent, action looking to amelioration of existing evils has been somewhat constant. Up to the present this has been instanced principally through efforts to enforce existing laws, and to enlarge the scope and function of government. This has been due largely to the fact that constantly business interests have discovered methods to circumvent the law in their efforts to find the most feasible and economical means of producing wealth.



8. The broadening of governmental power has been seen through such of its phases and action as aim to secure municipal ownership of public utilities, regulation of railway, gas and electric light rates, prosecution of the trusts, etc. This power has been combatted fiercely by the money interests because it threatens and curtails the power of the capitalist class.

9. The laboring class, through trade unionism, has tried to create as definite and far reaching a monopoly in labor as capital has made of natural resources, and the tools of labor. War has ensued which both employer and employe aggravate by unfairness.

10. The public, composed of both contending forces and the middle class, cries out upon such conditions and seeks to enforce the law against thuggery, retaliation, bribery and graft.

11. In the meantime, efforts are making to educate all classes to the saner and more honest use of the ballot, with a view to making government the umpire which shall declare against unfairness and work under the doctrine of the "square deal."

12. Finally there appears to be at work an influence, which, if not overcome by something better than violated promises of fair treatment for all under the present system of the unequal distribution of opportunities and the wealth produced by mankind, may swing one of the great political parties into changing conditions radically by the power of the ballot. And the motto of the men who are at work thus to accomplish what they consider something of an industrial millennium, where happiness for the many and not the few is the goal, seems to be, "Anything that will promote general welfare, even to the point of paternalism and community ownership of the means of producing and distributing wealth, is a just and equitable function of government."

In conclusion, it must be said that all the ills of the world will not be cured in a day. Men will differ honestly in opinions and often will change those opinions. Struggles will not cease, but battles more and more will be for virtue's sake. In reiterating the endorsement of the new doctrine of the "square deal"—new because men once more have come back to the old way of thinking that "honesty is the best policy"—it must be said that, inasmuch as this world is made up of human beings, the personal equation must always be considered in the last analysis of the problems of mankind and of the "square deal." And here we append some of the desired things in this line of the personal equation which *Success* believes would make the world better and which we give our hearty endorsement:

Men who cannot be bought.

Men whose word is their bond.

Men who put character above wealth.

Men who possess opinions and a will.

Men who see the divine in the common.

Men who "would rather be right than be president."

Men who will not lose their individuality in a crowd.

Men who will not think anything profitable that is dishonest.

Men who will be as honest in small things as in great things.

Men who will make no compromise with questionable things.

Men whose ambitions are not confined to their own selfish desires.

Men who are willing to sacrifice private interests for the public good.

Men who are not afraid to take chances, who are not afraid of failure.

Men of courage, who are not cowards in any part of their natures.

Men who are larger than their business, who overtop their vocation.

Men who will give thirty-six inches for a yard and thirty-two quarts for a bushel.

Philanthropists who will not let their right hand know what their left hand is doing.

Men who will not have one brand of honesty for business purposes and another for private life.

Young men who will be true to their highest ideals in spite of the sneers and laughter of their companions.

Clergymen who can hear a louder call than that of public applause, larger salary or a fashionable church.

Statesmen who will not pack caucuses, pull wires or be influenced in their policy by personal motives.

Magnanimous souls who do not look upon everybody they meet for the possible use they may be to them.

Men who are true to their friends through good report and evil report, in adversity as well as in prosperity.

Single-hearted people who do not look at every proposition from the point of view of "What is there in it for me?"

Journalists who will not write scurrilous, scandalous articles merely because their editor-in-chief wishes them to do so.

Young men and women who can stand erect and independent, while others bow and fawn and cringe for place and power.

Men who do not believe that shrewdness, sharpness, cunning and long-headedness are the best qualities for winning success.

Merchants who will not offer for sale "English woolens" manufactured in American mills, or "Irish linens" made in New York.

Lawyers who will not persuade clients to bring suits merely to squeeze fees out of them, when they know very well that they have no chance of winning.

Men who have the courage to do their duty in silence and obscurity while others about them win wealth and notoriety by neglecting sacred obligations.

Men who are not ashamed or afraid to stand for the truth when it is unpopular, who can say "no" with emphasis, although all the rest of the world say "yes."

Men who have the courage to wear threadbare clothes and to live simply and plainly if necessary, while their competitors revel in luxury purchased by crooked methods.

Men who have gained such complete control of themselves that they can pass through the most exasperating situations without doing or saying an unpleasant thing, without losing their temper or flying off their center.

Men who can stand before a demagogue and scorn his treacherous flatteries without winking.











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