

THE MONEY TRUST

While several of the Opposition at Ottawa are dramatically inquiring, "Is there a money trust in Canada?" the Pujo Committee at Washington has found that such a trust exists in the United States. The committee was appointed to investigate the matter, and their report has just been presented. The majority report is signed by seven democrats. Two minority reports are signed by four republicans. The seven democrats agreed to the existence of the trust; three republicans dissented, but admitted a dangerous concentration of credit in New York, Boston and Chicago; and the remaining republican totally disagreed with the recommendations and findings of the majority.

The majority report, after declaring the existence of a money trust, said that "the increased concentration of control of money and credit had been effected principally as follows:—

"(1) Through consolidations of competitive or potentially competitive banks and trust companies, which consolidations, in turn, have recently been brought under sympathetic management.

"(2) Through the same powerful interests becoming large stockholders in potentially competitive banks and trust companies. This is the simplest way of acquiring control, but since it requires the largest investment of capital, it is the least used, although the recent investments in that direction for that apparent purpose amount to tens of millions of dollars in present market values.

"(3) Through the confederation of potentially competitive banks and trust companies by means of the system of interlocking directorates.

"(4) Through the influence which the more powerful banking houses, banks and trust companies have secured in the management of insurance companies, railroads, producing and trading corporations, and public utility corporations, by means of stock holdings, voting trusts, fiscal agency and contracts or representation upon their board of directors, or through supplying the money requirements of railway, industrial and public utilities corporations, and thereby being enabled to participate in the determination of their financial and business policies.

"(5) Through partnership or joint account arrangements between a few of the leading banking houses, banks and trust companies in the purchase of security issues of the great interstate corporations, accompanied by understandings of recent growth—sometimes called 'banking ethics'—which have had the effect of effectually destroying competition between such banking houses, banks and trust companies in the struggle for business or in the purchase and sale of large issues of such securities."

To help cure these evils, the committee suggested two bills, one forbidding the use of the mails to stock exchanges which fail to observe prescribed stringent regulations as to the conduct of their business, and the other prescribing rigid rules for the conduct of national banks, their officers, and clearing house associations to which they belong.

An examination of the position in Canada indicates that we have not a money trust dominating the situation. There is a certain amount of interlocking of directorates. That is natural, and applies the world over. A money trust would likely have its birthplace in banking spheres. In this country, we have nearly thirty chartered banks, and there is undoubtedly keen competition among them. The recent amalgamations of financial institutions have occurred largely as one of the results of that competition. When a business man with highly speculative or unsound ideas is refused further credit by his banker, we hear bitter complaints of a money trust. When a business man pits one bank against another to gain his ends, and wins, we hear little of a money trust. There are innumerable people in every part of the country who can relate experiences as to the lengths of competition to which the char-

tered banks of the Dominion go. In some cases, indeed, it is a serious question as to whether or not that competition has been carried to extremes.

The frequent changes of control of important industrial and other corporations are further signs that there is not a money octopus in Canada. At present there are sufficient financial groups, divided in business sentiment, divided by feuds, by many other severances, to prevent any undue or harmful concentration of money power in Canada.

TROUBLES IN MEXICO

President Wilson is a man to whom pacific methods will appeal in dealing with the Mexican situation. Armed intervention by the United States would be an exceedingly dangerous experiment. The Mexican patriots would sacrifice everything for the preservation of independence. The United States would find itself engaged in a lengthy war, costly, too, measured in men and money. President Wilson, therefore, will undoubtedly use every known peaceful way to protect United States interests in Mexico. The belligerent tone in many of the English papers is ill-advised. If Great Britain, France and other European countries make it known to the Mexican government that law and order must be restored whatever it may cost, hinting that otherwise the United States, under the Monroe doctrine, may have to intervene, it might have the desired result.

Many of those who have followed closely recent events in the turbulent republic feel that General Huerta is likely to remain president only until extreme martial government has had its effect on blazing revolutionary sentiment. That when dampened, it will smoulder only to flare again, is also probable. With quieter conditions, will come the necessity of another president. There are many aspirants to the office, but De la Barra seems to be the most likely. He has already acted as provisional president of Mexico, filling the short gap between the presidency of the overthrown Díaz and the lately assassinated Madero.

After Madero had become president, De la Barra received enthusiastic receptions at Vera Cruz and Mexico City. His relations with General Huerta, the interim president, also appear to be cordial. While De la Barra declined to comment publicly on the Madero administration, it was understood at the time that he had told his close friends that the task of extricating the country from its troubles rested upon the Madero administration, and, moreover, that he had no political axe to grind. On the contrary, it is understood that he told them that he would support any lawfully constituted government which would guarantee to protect life and property. His elevation to the presidency, therefore, would not be surprising. Then we may expect peace for a while at least, and later, more revolution, which still seems to be the normal state of Mexico.

SMALL CHANGE

Let the Suffragettes man the Canadian navy.

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Vote for harbor improvements on Canada's Pacific Coast.

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Graft is an ugly weed, and the people of Canada propose to root it.

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Vancouver should commence a persistent campaign for new industries.

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One day the high cost of living will get hit in a vital spot by an airship.