

WAR LORDS OF FINANCE

Americans Who By Their Great Wealth Control United States Productive Activities.

Wall street is the point of rest, however brief, of so many revolving dollars that an extraordinary power attaches to any hand which dominates it. Being the potential center of a continent of 3,000 miles, of 30,000 miles of railroads, of 80,000,000 of people, the control of men and affairs made possible from such a base of operations is unprecedented. Today, directing their operations from this center, exactly thirteen men control more or less directly the industrial and commercial life of the remotest parts of America. It is an inevitable condition, however transitory, of our financial evolution.

Like the base of great military operations, the financial center of any country, must lend itself to colossal manipulation and control. The movement of gold past a given point, its very presence, serves to balance the entire financial situation delicately. Where so many enormous and diversified interests focus the situation must be extremely nervous and "tension" at all times present.

The very name of Wall street exerts its own, some mysterious, occult power. By any other name, Threadneedle street of the Bourse, a great financial center would be the object of admiration or of hatred. In America more than anywhere else in the world have the possibilities of financial control been seized, combined and grouped until a power greater, more potent, perhaps, than royal control has been made possible.

At the beginning of the year 1903 these thirteen war lords of finance doubtless hold a position stronger, more firmly entrenched than ever before. From their fastnesses in Wall street they continue to direct a campaign with a vast army of some 80,000,000 people. The territory covered in the operations, the resources of the general, the richness of the tribute expressed in dividends, make the great wars of the world seem trifling and insignificant.

And the war lords of the financial world hold in advance of any action all the strong positions. Incidentally, the personal fortunes of these men available for carrying forward the campaign are estimated at \$810,000,000.

This small but powerful band of financiers occupies at present two different camps. In the first camp, that which is usually considered the dominant one, there are only five men. This is known as the Morgan group—a name to conjure with. The personal wealth of these five gentlemen alone is about \$300,000,000.

There are seven men known as the Kuhn-Loeb group in the second camp, with a working capital, to consider merely their own fortunes, of \$450,000,000. There are other lesser camps notably the sugar industry, with a paltry hundred million or so, but the two great groups really dominate the situation.

It is but a few years since a millionaire towered high above all rivals in the business world. As has been cleverly said, he could control an army of 1,000,000 men for a day, and the power was considered extraordinary. Political economists and others have written to question if such power, that of a single million, were safe in the hands of one individual. It was argued that he could crush competition in ordinary channels of trade.

try at large. There have been one or two encounters, trifling in comparison to the possibilities of such a conflict. In the fight over the Northern Securities a few of the war lords of finance found themselves pitted against one another. Their disagreement, it will be remembered, lasted only a few days, but it left its mark upon a thousand interests in all parts of the country.

Again, one of the first moves of an army of invasion or occupation is to get control of the various means of communication throughout the field of operations. The war lords of finance have carried this system to an extent impossible to any army. By controlling the telegraph lines throughout the country, an enormous advantage is at once obtained, and since the modern means of communication between foreign countries also affects their position they have gained control of most of the cable lines.

It would appear that the position of the financiers operating from their fastnesses in Wall street was already sufficiently secure, but the most potent means of control has not been mentioned. In addition to the power of the railroads, with their control in turn of the industries of the country, these camps also control the banks, whose power is even more absolute and far reaching. Each group numbers among its resources many of the richest and most powerful banks of the country. Should every other position fail or be secured by the enemy this control of the banks would alone render the war lords of finance practically unassailable.

By controlling the interest on money or the price of it—in other words, every citizen of the United States at once becomes a subject. It is not implied that this power is wielded harshly—in fact, the best interests of the country are undoubtedly consulted by the great financiers in considering their own.

Such centralization of money power has probably never been realized before in the history of the world. According to our laws and the very nature of our financial system, it is natural and inevitable, but let us see what control in the remotest parts of the country it makes possible. A group of financiers encamped in Wall street decide that the interest on the money available in the banks should be raised 1 per cent. Such decision is but the work of a moment, and in a few minutes may be announced to the entire country. The balance in a hundred markets and thousands of interests are instantly changed and must be readjusted.

There are, for instance, millions upon millions of dollars invested in stocks, which are only profitable while the money rate remains at a certain point. If the rate of interest be raised even slightly the owners quickly sell their securities and seek more profitable investments. This serves to remove enormous sums from the market, the prices decline, and the slump is quickly felt in scores of different lines of activity.

The marvelous facilities of communication—and the millionaires have done much to perfect them—make it possible for the markets three thousand miles distant to feel the force of such a decision instantly. A rise in the interest rate again quickly acts upon the mortgages of tens of thousands of homes, so that a corner grocery in San Francisco may be affected and its business interests interrupted by the decision of a small group of men in the office of some skyscraper in Wall street.

And when one of these groups of financial giants decides to call in its loans, which it has the power to do, the effect is instantaneous in all directions and for thousands of miles. When, let us say, \$100,000,000 of loans are suddenly called in the interests involved can scarcely be conceived, and every one who is at all affected by the power which this sum involves must feel it in one way or another. Here is a power which no army in the history of the world could have exerted.

To appreciate the extraordinary power of these groups it is necessary to mention, at the risk of tediousness, merely the names of the great properties they control. Until the day of these great combinations it was common to look upon a single great railroad system as a colossal and far-reaching enterprise. The Morgan group alone controls fifteen great railroads and the Kuhn-Loeb group eleven. This does not include the enormous industrial enterprises which the railroads in turn control.

The power of the railroads in controlling any great industry along their route is, of course, familiar. Since all the carrying facilities are in the hands of a single group it is, of course, possible for it, for instance, to name the price of every ton of coal which is sold in New York or any eastern city.

It is much the same with the steel products. Every pound of steel must be carried by some road under the control of the group. It therefore follows that the price of this pound of steel in any outside market may be named by the group in question. But the unique power of these groups may be stated in an even more striking way. Let us suppose that any government, least of all that of the United States, were to suddenly levy a duty of \$1 a ton on all the coal mined or sold throughout the country. An arbitrary law of this sort would call forth a storm of protest, possibly a revolution. But the war lords of finance may do so repeatedly and 80,000,000 people are powerless to stop them.

Perhaps the most interesting problem of the present situation in finance is that which concerns the future attitude of these two great groups toward each other in the future. Up to the present time they have in the main spared each other, directing their power in different sections of the country, and with some notable exceptions, respecting each other's interests. Such has been the wealth of the country that there has been enough to satisfy both groups, though the interests of the country have been pretty nearly divided in doing so.

But the war lords of finance have never faced the stringency of hard times. Should money grow scarce, the earning power of the railroads and of the industries in general fall off, would one great group then begin to poach on the other's preserves? As present there is more business for the railroads than they can handle. But suppose the roads were being run at a loss—would the groups try, as the saying runs, to cut each other's throats?

Only time, of course, can answer the tremendous questions. But in the event of such a conflict, which is not improbable, there comes a question about "burglar-proof" safes while gathering up the pieces!

The Morgan group controls the New York Central Railroad, the Pennsylvania, Baltimore and Ohio, Philadelphia and Reading, Erie, Delaware, Lackawanna and Western, Delaware and Hudson, Hooking Valley, Southern Railway, Atchison, Topeka and Santa Fe, Chesapeake and Ohio, Norfolk and Western, Northern Securities Company, Chicago and Northwestern, and Metropolitan Street Railway.

American Miner Persecuted.
San Francisco, Jan. 29.—With his flesh cut and bruised by the beatings he had received at the hands of his Nicaraguan jailers, George Williams, an American miner at Corinto, sought refuge on board the Pacific Mail Steamship City of Panama, which has arrived in San Francisco and was carried by her to La Union, Salvador.

Williams had been a prisoner in the hands of the Nicaraguans for three months and was released at the instance of the United States consul general at Managua, the capital of Nicaragua.

His arrest, he declared, was a pretext to enable the Nicaraguan government to reclaim a valuable gold mine he discovered near San Fernando, and to which he secured title before the Nicaraguans were aware of the value of the property.

Williams, when he left the City of Panama, declared that within a week he would be on his way to Guatemala city to lay his case before United States Minister Hunter or his representatives.

He said he would push the matter and demand heavy indemnity from the Nicaraguan government.

What Balfour Says
London, Jan. 28.—Lord Balfour of Burleigh, secretary of Scotland, in a speech yesterday evening at Edinburgh was the first cabinet minister to discuss the Anglo-German co-operation in Venezuela since the crisis became acute.

He said it was not an alliance for defensive purposes, extending for a great length of time and for all the interests of the two countries, but was a mere casual co-operation for a specific purpose and for a limited time.

The Burglar of Feeling ...and the Bank Cashier

As he stepped out of the alley into the street, it began to rain dimly. This pleased him, for it added to the blackness of the night and had a tendency to drive away any late pedestrian.

He was not hampered by luggage. Such tools as he needed—a bar of soap, an air-pump, a can of nitroglycerine, some fuse, a jimmy, a dark lantern, a revolver—he carried in his pockets, and under his coat, a folded grain sack.

Without pausing, without hesitating, he glanced searchingly up and down the street. A smoking oil lamp stood upon a post on the corner of the main street of the village, its feeble rays struggling ineffectively in the mist. No living creature was stirring, no other glimmer visible.

A few strides took him to the side window of a building. The sill was on a level with his head. He tried to raise the sash, but as he had expected, it was fastened. So he took the jimmy from his pocket, and slipping its thin edge under the frame, threw all his weight suddenly upon the handle.

With a report like that of a pistol, the lock snapped. For five minutes perhaps, the burglar crouched in the shadows under the window, watching, listening. But not a sound save the patter of the rain in the gutter, did he hear, not a moving object did he see.

Then carefully, noiselessly, he pushed up the sash and climbed in. He was, in total darkness, but knew exactly where he stood. He could have drawn an accurate, detailed plan of the interior of the building—a knew precisely how many feet it was from the window to the safe, from the safe to his horse and buggy, standing in the alley at the rear.

So, although he could not see his hand before him—he turned confidently to his left and walked six paces. Then he circled to his right around the "end of the counter, and took four steps more. Pausing, he reached out his hand and touched the safe.

The burglar moved his hand gleefully over the door and laughed. The bank was not provided with a vault. A good vault costs as much as a building, and this was a small bank in a country town. So the funds were entrusted to the protection of this "burglar-proof" safe. He wondered what the citizens would say about "burglar-proof" safes while gathering up the pieces!

Without losing a moment, he filled the cracks around the door of the safe with soap, leaving one small opening. To this opening he attached his pump and exhausted the air on the inside.

Closing the opening, he cut a piece off the bar of soap, and rolling it between his palms and moulding it with his fingers, soon fashioned it into the shape of a small cup. This he fastened at the bottom of the door and filled with nitroglycerine. Then he attached a fuse.

Ten feet from the safe, a door opened into the rear office of the bank, and in this room the safe-breaker had planned to seek refuge while the explosive was doing its work. Not desiring to tarry unnecessarily in close proximity to a charge of nitroglycerine about to explode, he concluded, before lighting the fuse, to satisfy himself that the door of this inner room was not locked or bolted.

He turned the knob, the door opened readily, and he took one step across the threshold. Then he paused—in the intense darkness he could not see an object in the perfect silence he could not hear a sound.

But something—a premonition, instinct, some indefinable sixth sense—something sent a chill through him, and he trembled as one who suddenly becomes conscious of the presence of unseen spirits. Without the power to move, he stood, staring into the darkness, the perspiration standing in icy drops upon his forehead.

With the desperation that fear inspires, he drew his dark lantern, slipped back the slide, and threw the searching glare around the room, lighting first the most distant corner. Slowly he moved the lantern, bringing the round spot of brilliant light towards him across the carpet. Suddenly he uttered a low cry and sprang back as the light fell fiercely upon an object almost at his feet.

So near that by stooping the burglar could have touched him, a dead man lay, his waven face and sightless eyes turned upwards! The carpet, where his head and shoulders rested, gleamed scarlet with his blood, the nerveless fingers of his right hand clasped a pistol, in the center of his forehead was a ghastly wound.

With a strange weakness in his knees, the burglar bent over the dead man, brushed back his matted hair, took the pistol gently from his fingers and folded his hands across his breast. In the corpse the crackerman recognized Frazer, the bank cashier.

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On the desk beside him was the following letter, unsealed: "Being no longer able to conceal my shortage, to hide the fact that the safe does not contain the amount of money that it should, and being a coward, I have chosen a coward's method of paying my debt. I do not

ask for pity. I only ask compassion for my wife." For a moment the burglar stood undecided, the letter in his hand. Suddenly, breaking the impressive silence, came the loud ringing of a telephone bell. Instantly, involuntarily, the burglar closed the lantern slide, gripped his pistol and crouched behind the desk. Again the bell rang, and mechanically he rose and walked to the telephone. Standing with one foot on each side of the dead cashier, he took down the receiver.

"Hello," he said, imitating the voice of one whose eyes he could feel, but could not see. He was answered by a woman.

"Oh, Henry!" she said; "I have just awakened from such a vivid, such an awful dream. I know it is silly, but it frightened me. I dreamed that you were in trouble, in disgrace. And then I awoke and found you had not returned home. Oh, Henry, what is keeping you so late? Come home at once, will you not, dear?"

"Yes," the burglar replied, as one in a rage.

"Do," she continued, and there was anxiety in her voice. "I am so glad, so glad it was only a dream. I would rather see you dead than dishonored, Henry, dear."

The crackman crept back to the desk and seated himself in the dead man's chair, the woman's voice still ringing in his ears.

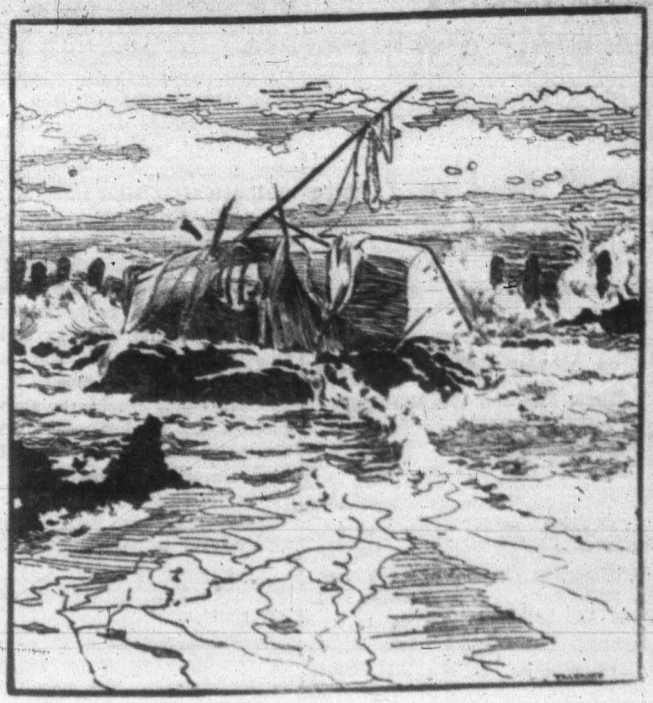
"That voice—it haunted him like a memory of the long ago, like an echo of the days of childhood. It stirred, it thrilled him. It aroused that old mad love of his boyhood. Whose voice was it? Undoubtedly the wife of that dead coward lying at his feet. But who had she been before—before she married him?"

"That voice? Could it be Martha's? Years and years ago, when they were schoolmates, he had loved Martha. Not shipping her from afar for she was a dweller on the avenue, and he a child of the tenements. A vast social gulf divided them, but he loved her in secret, knowing that he scarcely entered her thoughts.

Once he had thrashed a boy for teasing her, and she had smiled at him. He had never forgotten that smile. That was years and years ago, but though she had long since passed out of his life, he had never loved another. And now—was that voice indeed the voice of Martha?"

Again the burglar deliberately opened the slide of his lantern and turned the gleam upon the desk. Directly in front of him he saw a photograph in a silver frame. It was a photograph of a woman—not a particularly handsome woman—but glorified by a dazzling smile—and he recognized that smile!

From that face he turned reluctantly at last to gaze with scorn at the cold features of the man lying there with the scarlet mark of sin upon his brow. He felt no pity now—nothing



FIND THE OWNER OF THE WRECKED SLOOP.

In yesterday's puzzle the owner may be found by using the upper part of the picture as base, 117 is then in the upper part, looking towards the left.

but contempt—but Martha's words, "I would rather see you dead than dishonored," rang in his ears. Through the rain and darkness he drove away, penniless—but not unhappy. A woman's smiling face seemed to thank him. He laughed aloud as he fled through the gray morning, thinking of a schoolgirl smiling at a ragged urchin.

Auditorium—"A Black Sheep."

Monogram Hotel AND STORE
No. 6 Below Chicken Creek, Alaska.
Good meals, good beds, good bar. Scott C. Hulbrook, proprietor. Take out-of at the mouth of Lost Chicken which brings you to the door and saves you three miles travel on the river.

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For Fortymile and Eagle City.
Carrying mail, passengers and express, leaves every **TUESDAY MORNING AT 8 O'CLOCK** From Calderhead's dock, Dawson. Four-horse stages, plenty of fur robes, careful drivers, insuring a fast, comfortable service. All road house stations on this route are strictly first class. For rates apply at office of **Merchants Mail & Express Co., L. & C. Dock, Dawson.**

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Jobs Promised Tomorrow Delivered Today. **THE KLONDIKE NUGGET** JOB PRINTING DEPARTMENT.

AN BOUNDARY
It Signed a Last
Are on Each Side a Deadlock Seem Numerous.
Jan. 24.—Secretary Michael Herbert, today signed for the settlement of a boundary question.
The direction have been long time, the price on both sides, the line being anxious to get the Klondike to the west through American territory. The Americans insist on the coast line and the ports.
Signed today provisions of all these boundaries mixed tribunal of each side, to determine to be placed on the between Great Britain and British America.
tion is virtually brought forward by the powers of the high court met in Washington, but which was the British and Canadian.
It has taken the consent of the Canadian government to a boundary dispute on the
od that the treaty after thorough consideration leading members of both political parties desiring to be able in advance to mention. The commission composition, consisting of an umpire or a deciding vote.
ns of arbitration that would have been a people of the north in this arrangement a tion of any chance of to get a verdict American claim, or strongly presented a port of at least one of ingent.
be submitted to the enate very soon, and be made to ratify a tion of the present
BETT CASE.
Raised in the Grand indictment.
30.—Most of the time session was taken up of the point whether ment returned against charged with no degree, was legal one of the attorneys ved that the indict because the prison ven a chance to a tors as to their quit in the premises. It that the prosecuting right to dismiss the it had been set and substitute there.
ted that he was set that the detainee ight to test the jurv fications and for that bring the grand jury ve Bartlett a charge. He said, busi- questions asked name of mind of the time of finding there was no question of that jury had opinion as to the or the indictment been returned.
Chamberlain
Jan. 17.—The national Secretary Chamberlain was the most brilliant of the banqueting law burg has ever with and intellect of the were there to honor man and the speaker most important. South
ers did not see Chamberlain upon the introduction of a. Mr. Chamberlain owners to get along for and not import on Asiatic countries.
a Divorce
29.—Henry Norman, or and traveler, has a divorce from his wife, the traveler and around of the latter. Edward Fitzgerald, guards was named as