

### MONEY TRUST IN U. S. CENTRE OF BUSINESS WORLD

Investment Banker Is Nucleus Of Economic Group That Is the Plutocracy

(By Scott Nearing, Staff Writer The Federated Press)

The investment banker is the directing and co-ordinating force in the modern business world. The necessities of factory production demanding great outlays of capital; the immense financial necessities of corporations; the consolidation of business ventures on a huge scale; the broadened use of corporate securities as investments—all brought the investment banker into the foreground. During the last generation the great executives and enterprisers went into the field of production—building factories, constructing railroads, uniting industries. The "born generals" of the present generation are devoting themselves to the problems of finance, because it is with financial cords that the structure of the modern business world is bound together.

Before the Spanish War, the investment banker financed the trusts. After the war he was entrusted with the vast surpluses which the concentration of business control had pooled in a few hands. Business consolidation had given the banker position. The control of the surplus brought him power. Henceforth, all who wish access to the world of great industrial and commercial affairs must knock at his door.

This concentration of economic control in the hands of a relatively small number of investment bankers has been referred to frequently as the "Money Trust."

Investment banking monopoly, or as it is sometimes called, the "Money Trust" was examined in detail by the Pujó Committee of the House of Representatives, which presented a summary of its report on February 28, 1913. The committee placed at the centre of its diagram of financial power, J. P. Morgan & Co., the National City Bank, the First National Bank, The Guaranty Trust Co., and the Bankers Trust Co., all of New York. The report refers to Lee, Higginson & Co., of Boston and New York; to Kidder, Peabody & Co., of Boston and New York and to Kuhn, Loeb & Co., of New York, together with the Morgan affiliations, as being "the most active agents in forwarding and bringing about the concentration of control of money and credit." (p. 28).

The methods by which this control was effected are classed by the committee under five heads:

1. "Through consolidations of competitive, potentially competitive banks and trust companies which consolidations in turn have recently been brought under sympathetic management." (p. 56).

2. Through the purchase, by the same interests of the stock of competitive institutions.

3. Through 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 holding, voting trusts, fiscal agency contracts, or representation upon their boards of directors, or through supplying the money requirements of railway, industrial, and public utility corporations and thereby being enabled to participate in the determination of their financial and business policies." (p. 56)

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." (p. 56).

"The completeness of the control which was exercised by the powerful banking houses at the time of the investigation, is indicated in the affiliations of J. P. Morgan & Co.

J. P. Morgan & Co., of New York and Drexel & Co., of Philadelphia are one firm composed of eleven partners. The firm is also a partner in a London and in a Paris banking house. The firm does a general banking business, lending money, issuing and floating securities, etc. The Pujó Committee was unable to get any statement showing the resources or profits of the firm. On November 1, 1912 "it held deposits of \$162,491,819. Between 1902 and 1912 the firm marketed security issues of corporations amounting in round numbers to \$1,950,000,000 including only issues of interstate corporations." (p. 57).

The Morgan firm had extensive affiliations. Through a voting trust, Morgan & Co. had the selection of the entire board of directors of the Bankers

### TORONTO MACHINISTS GO ON STRIKE AT BAWDEN MACHINE CO.

Thirty members of the International Association of Machinists are out on strike for a minimum wage of 85 cents an hour at the plant of the Bawden Machine & Tool Co., Toronto. It was thought that a strike would be unnecessary, as Mr. Bawden had assured the representatives of the union that he would pay the minimum rate of 85 cents an hour. Failing to make his promise good, the men decided to strike. The strikers are being supported financially by District No. 46 of the I.A. of M. and will receive their full wages each week until the end of the strike. The working members of the unions have agreed to an assessment to provide the fighting fund.

### GET TOGETHER MOVEMENT OF LABOR-FARMERS

I.L.P. and U.F.O. Meet To Arrange Co-operation in Political Action

The Executive of the Independent Labor Party and the representatives of the United Farmers of Ontario organizations throughout Algoma, met recently in Sault Ste. Marie, to arrange some method of co-operation with a view to joint political action. The conference was a very representative one and augers well for the success of the combination of the two forces.

Mr. J. B. Cunningham, M.L.A., in a speech before the gathering, said: "We are told by our opponents that the interests of the Labor Party and the U.F.O. are antagonistic, but we are met together to dispel this illusion, and I am convinced that we can dispel it. The workers in field and factory have much in common, and it is to their mutual interests to combine."

After going through the past session in the Legislature, which was a very successful one, in spite of a labor-farmer combination, and in the coming Dominion elections there is every probability that this combination will be called upon to form a government, and we must be prepared to shoulder this responsibility.

Another speaker, Mr. Fred Newman, of Bar River, said: "I have had some little experience in organization work among the farmers, and I know their feelings pretty well, which, generally speaking, is in favor of the labor program. Farmers at the present time realize great difficulty in procuring labor, but this is not due to the working class, it is caused by the economic advantages enjoyed by the special privileged class."

"We do not hear of many of the tollers flocking to the lake shore in summer, and the southern climate for the winter. I am convinced that we will get the support of the farmers in this riding." Mr. Newman suggested that lady speakers should be available for education work amongst the women on the farms, who now had the vote.

The above meeting is but a starter of the get together movement of the Farmers and Labor, not only in Ontario, but throughout the entire Dominion. Ontario took the lead, and now Manitoba has followed in her wake, and it will only be a matter of time in which the rest of the provinces will do likewise.

Trust Co. The Morgan Company had a similar control over the Guaranty Trust Co. Through interlocking directorates, the company controlled the Astor Trust Co., the National Bank of Commerce, the Liberty National Bank and the Chemical National Bank. Morgan & Co. and their nominees thus control or have a powerful voice in banks and trust companies in the city of New York, with resources of \$723,000,000." (p. 59). The Morgan firm had affiliations with the following railroads: New York Central, New Haven, Southern, Reading, Erie, Lehigh Valley, Chicago Great Western, Atchafson, Topeka & Santa Fe, Perre Marquette, and four smaller rail systems. The firm organized the United States Steel Corporation, the International Harvester Co. and the General Electric Co. The firm was connected through membership on the boards of directors with the American Telephone and Telegraph Co., the Western Union Telegraph Co., the Interborough Rapid Transit Co., the Hudson and Manhattan Co., the Philadelphia Rapid Transit Co., and a large number of less important organizations.

Morgan & Co., the First National Bank, the National City Bank, the Bankers Trust Co., and the Guaranty Trust Co., which were all closely affiliated, had extended their control until they held 118 directorships in 24 banks with combined resources of \$2,679,000,000; 30 directorships in 10 insurance companies with total assets of \$2,293,000,000; 105 directorships in 32 transportation systems; 63 directorships in 24 producing and trading companies having a total capitalization of \$3,339,000,000; 25 directorships in 12 public utility corporations with a total capitalization of \$2,150,000,000.

The investment banker had become, what he was ultimately bound to be, the centre of the system built upon the century long struggle to control the wealth of the continent in the interest of the favored few who happened to own the richest national gifts.

The power of the business world was centered about the element that dealt in surplus. This element—the investment banker—is the nucleus of the economic group that is the plutocracy.

### LATVIA WORKERS ARE ON A NEW KIND OF STRIKE

Ask Minimum Wage Based on the Value of a Necessity Such As Rye

(By The Federated Press)

Libau, Latvia.—There is a new kind of strike on in Estonia. In Dorpat, its capital, the men of the factories and shops have been out since May 22 for the winning of the following demands of laborers, for the purposes of wage payments, shall be classified in six categories. The six are to be paid a minimum wage reckoned in terms of rye (grain, not Scotch) and a monthly sale of products to workers at fixed prices.

This category No. 1 is to get the money value of 40 lbs. of rye, which would be 180-220 Estonian marks. Class No. 6, the money value of 28 lbs. of rye. The employers offer only a money wage, 7 marks an hour for class 1, down to about 4 marks an hour for class 6, with two and a half marks to apprentices. The employers offer to sell certain quantities of commodities to the workers at fixed prices.

The demand for a money wage based on the value of a necessity, like rye, and to fluctuate with the price of the necessity, is something new in the world, and the employers scent the danger in it. No longer would it be possible to point to the worker, with his apparent increase of money wages, as a profiteer.

Consequently employers are determined that it would not do to let the men win these terms. Contemplating the possibilities of a wage fixed on buying power, they conclude that the workers' demand is "Bolshevistic." So they continue to offer only a money wage and the strike is still on.

Estonia is one of the new Baltic states which the older governments recognize, variously, as de facto, de jure, or like Washington and Paris, insist is still a part of the Russia of Kerensky, whose ambassadors they still harbor.

### NEW YORK TEACHERS GET NEW SCHEDULE OF SALARIES

New York.—A new schedule of salaries for teachers has been adopted by the New York Board of Education which provides a general increase in all departments totalling annually 24,000,000 and affecting 26,450 persons.

After a five-weeks' strike, boiler makers at St. Louis, Mo., have won their demand for improved working conditions.

### AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN MEET SUNDAY

The Amalgamated Meat Cutters and Butcher Workmen will meet in Labor headquarters on Sunday, July 11th at 2:30 p.m. The purpose of the meeting is to vote on the new wage schedule which has been drawn up by the executive. Every member of the union should be in attendance.

### CAMPAIGN TO POPULARIZE THE UNION LABEL

Being Undertaken By the Labor Educational Association of Ontario

The initial steps are being taken by the Labor Educational Association of Ontario to launch a live campaign to popularize a demand for union label goods, says the Industrial Banner. Secretary Marks is getting in touch with the international officers and organizers of the union label crafts to secure their hearty co-operation and sympathy in the work.

All Provincial Labor bodies and Trades and Labor Councils, etc., will be asked to actively assist in the campaign which it is fully expected will result in union-made goods being on sale in all industrial centres in the province.

At the present time the union label is not having the demand it should, and the secretary of the Association is determined that at next year's convention in Preston it shall be easy for delegates to secure and wear not only three union labels, but sport a full union-made outfit from the crown of their head to the soles of their feet, if they so desire.

Since the convention the secretary has put in a strenuous time in clearing things up and disposing of business that had got somewhat in arrears. Every day new labor bodies are affiliating and the outlook could scarcely be better. The association is expected during the coming year to do a large amount of educational and organizing work, and by the time the next convention rolls around to have the largest proportion of labor organizations in the province co-operating with it to advance the various projects it proposes to push in the interests of the labor movement as a whole.

Arbitration ended a short strike of culinary workers in Fresno, Cal., that tied up most of the eating places. The wage advance includes everyone from chef to dishwasher.

### U.F.A. LEADER SAYS CO-OPERATE WITH THE UNIONS

Joshua Fletcher of Grande Prairie Thinks Farmers Can Depend On Trade Unions and G.W.V.A.

Joshua Fletcher, President of the Grande Prairie District U.F.A. Association, in an address recently made the following interesting observations:

"Our organization has now reached a high place in our community life, and decisions which we arrive at, carry weight and influence among the people inside and outside organized bodies. Our action commands attention throughout our own country, and we must be careful to observe our responsibilities as well as our achievement. The large membership of the Trade Unions which we feel sure will co-operate with us is largely centralized in our towns and villages and they are united together as we are in class organization. The greatest fight they have had through many years has been to win for themselves the right of collective bargaining and incidentally the recognition of their unions by the wealthy corporations and employers of labor. The Trade Unions must know that this important matter is safe in our hands before they can be expected to cast in their lot with us. The G.W.V.A. already a strong and powerful body is not held together by occupation, but is composed of men from all parts of the world, King and Country. We can depend on them when they clearly understand that we believe in class organization and co-ordinate association but are opposed to class legislation."

"In the life of the U.F.A. and in our effort along political, commercial and economic advances perhaps the most delicate relationship we have to deal with is to be found in our relations with that class of people usually represented by Boards of Trade. These people have been trained and lived in our towns and villages and are sometimes led to look upon our efforts with suspicion. We must aim to make them know that in our organization that the life we value is the life of service. They must know that if the industrial conditions were properly adjusted the struggle for existence would not be so intense and competition among the classes would not be so severe."

"If the whole common people could forget the foolish class competition our local merchants and professional men would be with us in this great forward movement and they would receive their full share of benefit. In our co-ordinate effort we will require to give sympathetic attention to other or-

### CHARGES GOVERNOR WITH DEFEATING MINIMUM WAGE

(By The Federated Press)

Seattle.—William Short, president of the Washington State Federation of Labor, in a public statement here charges that Governor Louis F. Hart juggled the membership of the State Industrial Welfare commission to defeat the \$18 minimum wage for women factory workers. A minimum of \$18 for women in the public house-keeping trades has already become law. The minimum for women factory workers failed of passage by a tie vote.

C. H. Younger, state labor commissioner, issued a statement denying that the governor was bringing pressure to bear on the commission. Younger was one of those voting against the \$18 minimum. The present minimum is \$12.20. Clean, comfortable rooms in middle class Seattle hotels rent at \$7 to \$9 weekly.

"Governor Hart has perverted his office," Short charges in his statement.

### BUILDING GUILD MAY PURCHASE MATERIALS FROM CO-OP WHOLESALE

Manchester, Eng.—The Manchester Building Guild, the organization of the building trades which is putting up 20,000 houses for the city on its own contracts, has been given the chance to purchase building materials from the Co-operative Wholesale Society. Since the Co-operative is next to the government the largest manufacturer and marketer of building material in the kingdom, this move is expected to be of primary assistance to the workers in their experiment. It will enable the Guild to supply the material as well as the labor on construction jobs, and transfer the savings effected by buying from non-profit making sources to the wages of the workers.

Organized bodies. Among these organized bodies in a prominent place we find the Church. The precepts of our Christian religion must be the foundation of all our substantial and permanent improvement. We as individuals must assist to bridge that gulf which exists between the Church and the masses. This will not be brought about until the high dignitaries of the Church are willing to study economic questions and learn something from the industrial masses.

"The great fight which we are making is not particularly to make farmers rich nor to make millionaires out of trade union men, but to enforce a system by which those who enjoy privileges and concessions will be required to assume proportionate responsibility and to make human life more valuable than property ownership."

### BRITISH LABOR PARTY'S DEMANDS RE IRISH QUESTION

Full Self-determination for Egypt and India and Just Settlement of Irish Question

Scarborough, Eng.—Full self-determination for Egypt and India and a just settlement of the Irish question were demanded June 25th by the British Labor Party conference in session here. The Irish plank called for the establishment of a constituent assembly to determine the form of government to be adopted by Ireland, without any condition or limitation imposed by Great Britain, and the complete withdrawal of the army of occupation.

At the sessions thus far held, there were unanimously passed resolutions calling for revision of the peace treaties, for recognition of the soviet government of Russia, abstention from direct or indirect attacks upon Russia, full freedom of trade with her. The abolition of secret treaties and control of food and raw materials by an international body were demanded.

The conference decided to send a joint deputation composed of members of the Labor Party executive committee and the parliamentary committee of the Trades Union Congress to call upon Premier Lloyd George and insist upon the necessity of immediate peace with Russia and the lifting of the blockade. The committee was also instructed to lay before him the report of the Labor Party delegates who have been investigating the White Terror in Hungary.

The British Socialist party delegation urged the calling of a national conference for the purpose of organizing a general strike, and Robert Smillie, who received a tremendous ovation, swept the whole meeting by his declaration that something more than a deputation to the Premier would be necessary to carry out the demands of the conference. Should the deputation be rebuffed, he said, a special conference should at once consider plans for a nationwide withdrawal of labor.

### TELEGRAPHERS SIGN AGREEMENTS WITH THREE PRESS DIVISIONS

Officers of the commercial telegraphers' union at Chicago, have signed agreements with the three union press divisions of the United States: The United Press Association, the Universal Service and the International News Service. A weekly minimum of \$40 was agreed to.

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An assortment of white canvas bals, white strap Slippers and Oxfords. Misses' Girls' and Children's sizes 4 to 2. Any pair good value at \$2.25. While they last,  
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Made in combination last; all sizes and widths. Regular \$8.00, Friday and Saturday,  
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**WOMEN'S WHITE CANVAS OXFORDS**  
Sport heel. Regular \$5.50. While they last,  
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**WOMEN'S WHITE CANVAS**  
Mary Jane Pumps. Regular \$4.00. While they last,  
**\$2.95**

**MEN'S BLACK BALS.**  
Slater make; about 18 pairs in lot. Regular \$12.00, Friday and Saturday,  
**\$7.75**

**WOMEN'S MAHOGANY CALF OXFORDS**  
Walking heels. About 30 pairs in lot. Regular values up to \$10.00 Friday and Saturday, while they last,  
**\$5.95**

**WOMEN'S WHITE CANVAS BALS.**  
All sizes. Regular up to \$6.00. While they last,  
**\$4.95**

**MEN'S BLACK AND TAN OXFORDS**  
All sizes and widths. Regular \$12.00, Friday and Saturday, while they last,  
**\$5.95**

We have extended our sale to July to enable our out-of-town customers to take advantage of this sale. Our city customers who have not, as yet, had the opportunity to visit us should take advantage of this reduction this month.

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