

Notes, The Comical History of Montana : A Serious Story for a Free People

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P. 3 The immensity and variety of the resources of this vast territory are not yet more than guessed at by those most familiar with the state. In 1910 there were twenty million acres in forest reserves in Montana; and of the eighty-three million acres outside these reserves fully thirteen million acres never had been surveyed by state or federal government. The fertile valleys which Lewis and Clark traversed in their perilous journey of discovery across this country more than one hundred years ago remain today in large part the virgin soil as when observed by them, not yet cultivated nor utilized by others than prospectors for precious minerals or stock growers upon the public domain. Here is the third state in the union in expanse of area, with the greatest wealth of water for power and irrigation uses of all the states, with diversity of soil and climate which makes possible a profitable production of almost limitless varieties of grains and fruits, with resources in timber of inestimable value, and with wealth of mineral so great and in so much variety that all but the more precious metals are largely neglected. Immense fields of discovered coal and iron lie undeveloped awaiting the time when cost of production and transportation will warrant their use, notwithstanding that four transcontinental railway systems now cross the state and that the high prices of fuel and of the products of iron are without precedent throughout the land. Add to these natural material means or prosperity, charms of scenery and environment unexcelled to promote happy and healthful existence, and there remains the marvelous fact that the population of the state in 1900, after twenty-one years of existence a state, was only 376,053 people, including Indians not taxed.

P. 52 Meanwhile, the corporate combine which dominates the state has systematically, effectively and mercilessly used the boycott against wage-earners and labor organizations, against professional men, business houses, newspapers, public officers, and anything or anybody which it could reach and could not make auxiliary to its control of government, of business, and of people within Montana.

No victim of this exercise of lawlessness has as yet sought remedy or relief through court proceedings, and no public servant entrusted with the duty of enforcing the criminal laws has found occasion to prosecute the offenders as happened when they represented the wage-earners of the country instead of the **combines of Wall Street.**

When the enterprise of creating a monopolistic control of the copper-producing industry was started, apparently the projectors had no concern for any wealth of Montana than that contained within the copper mines. Their interest in the law and its administration at that time seemingly did not extend beyond preventing interference with their plans. The war waged against them by other copper interests' furnished a necessity for some of their political activities, and the excuse which they have made conspicuous in attempted justification of all of them. Recurring obstacles, in and out of the state, in the way of completion of the work of monopolizing the copper business, compelled the promoters to

fortify the combine against attack from national as well as state officers of the law, During this time there came a realization of the incalculable value of water power with the multiplying uses of electricity, and a comprehension of the opportunities for multiplied profits through the transmission of power and control of public utilities in cities. An [53] aroused public sentiment throughout the country against the great combinations in control of industry and commerce, with consequent prosecution of various combines by national authorities, placed in new jeopardy the scheme for a copper monopoly as organized on the approved trust plan under New Jersey laws. All of these conditions contributed incentive to efforts for new enterprise and new powers for the copper combine engineers in Montana. On his first and only visit to the state, soon after the organization of the Amalgamated Company, the late H. H. Rogers, then president of the company, announced the policy to be to dispose of company stores and other allied interests, and to confine the business of the company to mining and selling copper. The conduct of affairs for a time following his visit- indicated honesty in his statement. If he changed his purpose the fact never was made known in Montana. Following his death came the change in policy and in plan of operation which involved as a necessary part of success the complete control of government and courts, and the extension of influence to all parts of the state where there were water powers to be grabbed and developed, or cities to be supplied with public utilities at prices to insure large profits. The field had been made fertile for these efforts by previous corruption of political and public agencies. Honest ambitions had been discouraged by defeat and honest citizens had been disgusted with results. Dangerous rivalries had removed and formidable adversaries had been retired or pacified. All that remained was mere matter of detail performance. These details furnished the comical history of Montana, the story of the ruling and robbing opportunities of a great state by pigmy intellect and statesmanship, this under the direction and for the benefit of bandits of high finance in New York; with applause by the victims.

[53] Some Field Marshals of Napoleons of Finance

Not the least wonderful among the marvelous changes in the life of the present generation is that which marks the transformation of rule in a young American state from the pioneer leader to the modern political and industrial, boss. The one, with rare individual courage and with the risk of death, did lawful things in an unlawful way to establish security for life and property, to maintain order and to do justice; the other, with cowardly instinct and knavish propensity, does unlawful things in lawful way to pervert organized power, to defeat justice, and to despoil his neighbor of rights and property. The pioneer played the part of a man with pride of good reputation to preserve on earth and some sense of existence of souls to be saved for eternity; the corporation corruptionist represents in purpose and performance an organized power designed by crooks to overreach their fellow men while avoiding personal responsibility for their crimes. The eminent rogue, perfect in evil accomplishment, is no less a development of environment, opportunity, civilization and evolution, than a Washington, a Lincoln, or the tramp.

More than one field marshal has been required in the conquest of Montana. All the power and wealth of the kings of Wall Street could not persuade Mr. William Scallon to become a rascal. Acquisition of all the power and wealth in Wall Street cannot make Mr. John D. Ryan less than a

conscienceless rogue. In the modern school of “High Finance” and “Big Business”, the first represents conspicuous failure and the second pre- [55] eminent success. Each was entrusted with the great power of direction of combine enterprise in Montana. Each by individual character and effort exercised a potent influence in the affairs of the state. The first, in good faith and with constant concern for public interests and the rights of humanity, labored vainly to put in practice the theory that there can be good trusts and benevolent despotisms in harmony with free government and equal rights. **The other, with single devotion to avarice and with great resource of duplicity and chicane, attained power by much aptness and ability in preempting claims to dead men’s business shoes, acquired high rank among the leaders in rapacity, and enormous wealth through control of vast estates and by swindling the public through most flagrantly dishonest stock-jobbing operations on mammoth scale.** In character, ideals and performance these two men present excellent types of what became known as the Progressive and the Reactionary or “Standpatter” in American life. They exemplify, if they do not personify, the causes and interests of the great conflict in progress throughout the nation which is disturbing business, disrupting political parties and distressing society. Friends for years, co-religionists, mutually indebted for support and counsel, employed by the same interests— disagreement, conflict and separation between them became as irrepressible as between an abolitionist and slave-holder in the ‘60s, as inevitable as strife between La Follette and Aldrich, Roosevelt and Taft, Bryan and Boss Murphy, during present times.

As a young attorney seeking location, Mr. Scallon entered Montana about the time of the ripening of the Clark-Daly feud. With singleness of purpose and fidelity, which marks all his relations in life, he applied him [57] self to the work of his profession. This was rewarded, after some years of struggle for mere means of existence, with success which attracted the attention of Marcus Daly, and Mr. Scallon became the personal adviser as well as the legal counsel in Mr. Daly’s great business affairs, a connection which continued during the life of the client. With his time fully occupied and well remunerated by professional work, strong in principles and scrupulous in methods, Mr. Scallon had neither inclination nor occasion for part in the political strifes of those days. When Mr. Daly merged his properties and interests with the newly organized Amalgamated Company, and a man was needed in Montana to take charge of the direction of affairs, it happened naturally enough that the choice should fall on Mr. Scallon. Whatever the faults of the late H. H. Rogers as a monopoly maker or a stock speculator, the conduct of his enterprises revealed persistent regard for public opinion on the one hand and an appreciation of the value of capable and reliable men for employment on the other. Wage wars or attacks against public sentiment formed no part of his campaigns for riches. A good fighter himself, he realized the value of zeal and reliability in his forces. If he anticipated “copper wars” to follow the creation of the big combine, he did nothing beyond the organization itself to provoke them.

Whatever the purpose, the policy of operations was to find economy in modern inventions and appliances, by increased capacity of production and efficiency in operations and management, rather than in wage reductions, “pluck-me” stores, and kindred forms of petty larceny on employees and public. The fact is that during the first few years of Amalgamated existence, and all the time in which Mr. Scallon was connected with the enterprise, the company was [58] on the defensive, fighting for existence, so far as Montana conditions were concerned. It would have been difficult to have found a man better qualified to be the company’s chief representative and director in the state if the business could have been conducted without piratical attack, as a

legitimate mining business with the chief view to insuring honesty in management and public confidence and approval. It would have been quite as difficult to have found a man less well qualified than Mr Scallon to command the forces in such a warfare as followed. His ability as an organizer and in the conduct of large industry was shown by the fact that following his retirement there was almost no change in the personnel of employees in responsible positions other than those due to the abolishment of places through consolidation of corporate organizations and the abandonment of subsidiary plants in consequence.

Against such warfare as the Heinze forces waged, Mr. Scallon was a poor antagonist, if there is anything in the theory that the devil is best fought with fire. The weapons employed included anything in lawlessness from bribery to murder. Falsehood, scandal, and every conceivable form of trickery and dishonest contrivance—in politics, in litigation, and in mining operations—were mere incidents of the combat. The corruption of government agencies extended from the voter at the primary to judges in courts of last resort. To make a man like Mr. Scallon—with high ideals and a strong sense of justice founded on profound faith in correct principles of law, firmly attached to method by right rules of conduct, as modest as a good woman, sensitive to the point of pain, personally brave to the extreme of recklessness, a devout christian—to make such a man at once the leader and the target, was to practice cruelty upon every quality of his nature and make his most conspicuous virtues appear and be weaknesses for the struggle. While his honest pride rebelled and his decent impulses revolted against the necessity of meeting the attacks of the enemy with similar arguments and appeals to degraded human-kind, a high regard for duty to those who employed him, no less than righteous resentment against the scoundrelism which prevailed, added to his perplexities. These were increased by conditions of a situation where a maze of lawsuits, based on every imaginable pretext of cause of action, made it necessary to preserve separate complete organizations of different companies and properties, under nominal control of the Amalgamated corporation, resulting in divided authority and a “multitude of counsel” more productive of confusion than added wisdom. With promptings which may be readily conjectured from the foregoing statement of conditions, Mr. Scallon repeatedly tendered his resignation in New York. Mr. Rogers persistently urged him to retain his place and to permit details of the conflict repugnant to him to be cared for by others. Late in 1903 the outrages by judges in Silver Bow county controlled by Heinze became so flagrant that it was “judicially” determined by them that the Amalgamated organization was an outlaw without rights to exist or to conduct business within the state. Mines and smelters closed, the mere mercenaries who had ruled in Butte were temporarily brought to some sense of right by impending necessities, decent public sentiment throughout the state asserted itself, the legislature was convened and enacted a law giving to clients a right of change of venue or place of trial from biased or disqualified judges, and Heinze’s power through exclusive [60] jurisdiction of courts of Silver Bow county was destroyed. Two months later Mr. Scallon persuaded Mr. Rogers to accept his resignation and relieve him from a situation which had become intolerable to him. From that time to this, Mr. Scallon has refused offers of position or retainers from the Amalgamated Company and all of its allied interests. He reopened his private law office and remained in Butte for several years. His consistent refusal to accept cases either for or against the interests which he had formerly directed in the state, in effect, deprived him of opportunity for professional business in what had become practically a one-company town. Meantime he applied himself to the improvement of conditions with which his experience in the “copper wars” necessarily had made him familiar. He took active part in the organization of a civic league and waged a war against

lawlessness, which closed open gambling in the Montana metropolis in earnest for the first time since the camp was discovered; and he did it without either fear or ostentation, notwithstanding that the lawless interests ruled the town alike in official and business circles, and that some of their agents, worthy of the task, went about with weapons and avowed determination to end the campaign by desperate means. He went to the legislature as a member and secured the enactment of the most comprehensive anti-gambling law upon the books of any state, and of statutes efficient to wipe out wine rooms and dens for the destruction of woman's virtue, even in Butte.

While at the head of Amalgamated affairs he not only rivaled but alarmed the practical politicians with platform pronouncements for reform laws, and he went beyond the rivalry and alarmed them still more by aiding to secure the enactment of such laws. He was a progressive republican, honest [61] and consistent, while yet the nominal directing head in the contest which was to establish in Montana a combine monopoly. He surrendered a salary sufficient for president of the United States in voluntarily resigning that position. He expended, in working for the betterment of conditions and improved laws and in generous aid to those in need, more than all that he had saved. An incident of the "copper war", at the time of its most extreme emergency, reveals at once the character of the man and why, to use a pet phrase of a high commander of high finance, he is "an impossible" in big business. It was the day Judge Clancy handed down his decision declaring the Amalgamated Company without lawful existence or right to do business in Montana. Orders had been issued to close mines and smelters, and the preliminaries necessary for stopping operations employing some fifteen thousand men were in progress. Mr. Scallon had gone to Anaconda in connection with measures for the protection of the great property interests in the smelters there. One of the subordinates summoned to meet him at the hotel found him sitting alone and dejected in a private office. Mr. Scallon inquired of the caller if he believed the shut-down was justified. "Certainly. There was nothing else to do under Clancy's decision.~~ "Of course, I know that," mournfully responded the Montana representative of a soulless combine. "I was not thinking of that. I was thinking of all these thousands of men being thrown out of work on the eve of winter."

He was protecting the property and the interests and the rights of the corporation. He was thinking of humanity.

Mr. Scallon removed to New York city to engage in the practice of his profession in 1910. At that time the [62] writer, then an editor in Montana, published the following article, reproduced here as timely illustration of the change which comes to public sentiment as well as to public affairs and public men when a corrupt combine controls a state:

"OF A GOOD MAN GONE TO NEW YORK"

"In the removal of Mr. William Scallon to New York this week, the state of Montana loses one of her most useful and most loyal citizens, one of her most admirable and lovable men.

“It will surprise some among quite intimate friends of Mr. Scallon in Montana to learn that he left the state because he possesses no other fortune than his abilities and had become convinced that, under conditions which have obtained, he could not earn means of existence in Butte without employment in his profession by interests which he was unwilling to serve. This is a surprising statement to make about a man who has been long distinguished in his profession, who attained to chief position in charge of controlling interests in the industry which dominates the state, and who undoubtedly received a considerable fortune annually for his services during a period of many years. It becomes astounding when coupled with another equally and exactly true statement that he squandered no wealth in prodigal ways or in speculation. The simple explanation is that this remarkable man possessed so little love of money that he was able to give it away, without advertising, to whoever or whatever to him appeared worthy and in need of it. Another modern peculiarity of his character was a confirmed habit of giving his own money, instead of that belonging to the stockholders of companies, or to individuals, which entrusted him with the conduct of their affairs. Plainly a whimsical person, withal.

“Naturally, a man of this kind became regarded as erratic by the high financiers and brevet-captains of industry who succeeded to the corporate powers which he cast away rather than to approve of the purposes and methods in promotion of which it was determined that they must be exercised. Naturally, he was adjudged a crank by ordinary legislators, when he employed private clerks and stenographers at his own expense to assist in routine work while he was engaged as a law-maker in adding stringent statutes to the Montana codes against wine-room evils and public gambling. Naturally, angered criminals, with guns in pockets and threats on lips, denounced this man as crazy when he led in person, in prosecution, and with resources, the movement which made law enforcement against public gambling a reality, instead of a conspicuous farce and weapon of official and private blackmail, in Butte.

“Measured by the standards of mercenaries, of swindling stock-jobbers, of ‘malefactors of wealth,’ of traffickers in official power, of bargainers in treason, of

habitual criminals of high and low degree, Mr. Scallon is deficient in intellect. Clearly he lacks the ability to comprehend the virtues and advantages of versatile rascality. He is short of that phrenological bump which enables its optimistic possessor to anticipate glorious mortal fame in the shadow of the penitentiary, and rest for the soul in eternal damnation. To him does not appeal that trend of artistic temperament essential to hypocrisy. The streaks of yellow in his formation are pure gold. Bald swindling is beneath him. He is too proud to stoop, too brave to cringe, too great in simple manhood to become mean and small in action.

“So Mr. William Scallon has gone to New York, unhonored and unsung by the trust scullions and organ [64]

grinders of Butte and Montana, most of whom owe all their influence and much of their prominence in the world to his generous friendship or Christian forbearance. He will carry with him a spotless integrity, a reputation for great ability as a lawyer, an established character as a gentleman, and the enduring good will of all decent-thinking people in Montana who ever knew him.”

The man who succeeded Mr. Scallon as field marshal of Napoleon Rogers in Montana excelled in that kind of equipment wherein his predecessor had been esteemed lacking. Organized greed could teach him nothing in selfishness and no awakening conscience disturbed the dreams of his avarice. He combined a pleasing personality with the arts of dignity. He reinforced plausible argument with flattering persuasion, and possessed to the full extent of its power that peculiar combination of talents which enables the distinguished kings of finance to entice enemies and fleece friends with equal skill and unction. In the early days of trust-making the promoter was aptly described as “one who sells something he hasn’t got to somebody who doesn’t want it”.

Mr. Ryan acquired his first considerable wealth through commissions on transactions of that variety. But being both bright and painstaking as a student, he early became a post-graduate in that more modern and advanced school which teaches that the highest attainment in business is to buy control of public necessities and utilities, with lawful procedure through the purchase of law-makers and law administrators, at the same time obliging the sellers to pay the traitorous public servants and take their own moiety of compensation from the profits of the business after these also have been paid by themselves.

In all the miraculous achievements of aerial navigation it is doubtful if any reckless adventurer has reached a greater height than that of fame marked by Mr. Ryan in the atmosphere of high finance by sheer reliance on the power of hot air. He was reared in the copper mining regions of Michigan, but without experience or education in mining. With a very common school education he went forth to make his way in the world, reaching Denver while yet a young man,

attracted there by the presence of a prosperous relative. There he secured employment as a traveling salesman for the Continental Oil Company, later a constituent part of the Standard Oil monopoly, and there presumably received his first practical lessons in combine methods. Montana was included in the territory which he covered, and Mr. Scallon, as a ceremony of friendly regard, assisted him in an acquaintanceship with Marcus Daly which enabled him to include the Anaconda Copper Mining Company on his list of customers. After Mr. Daly's death Mr. Ryan succeeded in securing for himself a close connection with the Daly estate as an officer of the Daly Bank in Butte, and took up his residence in Montana. He continued to maintain most friendly relations with Mr. Scallon, then at the head of Amalgamated affairs in Montana, and was almost always noticeable on public occasions and in counsels during the period of conflict between Heinze and Amalgamated. He became a conspicuous participant in everything which assisted to keep him in the public eye, and at the same time exercised a large influence through his friendly relations with high company officials as well as with the power of his own position at the head of what was really a company bank in Butte, in the sense that the Daly banking business in Butte and Anaconda and at Great Falls naturally was favored in company business. [66]

After Mr. Scallon secured an acceptance of his resignation of company offices, several months elapsed before the place was filled. Mr. Rogers desired Mr. Benjamin Thayer, an experienced mining engineer and mine manager, to accept the place. Mr. Thayer had secured much mining experience and a wide acquaintance in Montana, as well as a nearly universal popularity among all people with whom he came in contact. He had removed to New York City, but visited Butte and studied the situation thoroughly. He reached the conclusion that he did not want the task, or at least the duties of leading in the kind of warfare then in progress. The problem was solved by the appointment of Mr. Thayer to be assistant to President Rogers in New York, regularly to inspect and report upon the conditions of mines and works in Montana, while Mr. Ryan was made managing director in Montana with powers of command over political and fighting forces. At that time Mr. Ryan's knowledge of mining and the copper industry was about the same as that of any other intelligent man who had lived in mining camps and engaged in other business. His selection was regarded as a result, and another evidence, of Mr. Scallon's generous friendship and recommendation. Heinze's most dangerous power had been destroyed six months before when the legislature enacted a fair trial law enabling litigants to secure removal from his Silver Bow county judges, but Heinze's organization was yet strong and his powers for extensive mischief great, by reason of the number of his agents holding important city and county offices as well as because of his hold upon a large contingent of the wage earners.

The time was ripe, and the means abundant and fit, for operations under direction of a man like Ryan. As [67] a dignified hanker, an habitual churchman, a representative of the Daly interests, a friend and protege of William Scallon, with exemplary personal habits and admirable attachment to home and family, Mr. Ryan enjoyed the esteem and confidence of reputable people.

At the same time he had taken for his chief adviser and political manager, A. J. Campbell, who had earned and maintained a reputation as one of the most accomplished political tricksters and corruptionists in the history of the state which had developed so much notable and varied in corrupt form of enterprise. Mr. Ryan likewise had large faculty and effective facility for playing the role of everybody's friend. He established confidential relations and mutual interests with some of Heinze's most trusted agents, and during his first years of power enjoyed and utilized to the utmost the important advantage of a freedom from that restraint in generous promises born of

sense of obligation to maintain the integrity of his word, a restraint which is strong in all honorable men and is characteristic enough of most other individuals to sustain the rule and claim that there is honor among thieves. Mr. Ryan sought and secured the credit for ending the war with Heinze and for establishing the interests which he represented with security against danger from similar attacks. As heretofore written, Heinze was shorn of his power and practically whipped, with the enactment of a fair trial law prior to Mr. Scallon's retirement. Subsequent fighting between the forces was little more than showing of strength to insure favorable terms of settlement on either side. The plain truth of history is that the Ryan victories usually were purchased commodities rather than fruits of courage and skill and honest struggle. He was a compromiser, not a fighter; a rank [68] quitter and not a hero in realization or apprehension of punishment. The record of events in this volume will clearly reveal him to be somewhat deficient in physical as in moral courage. When he finally perfected terms of settlement with Heinze he paid him almost if not quite twice as much as would have been necessary to have secured the same result at a previous time. From an unquestionably qualified authority the statement has been made that in the early years of conflict Heinze respected and trusted the integrity of Mr. Scallon, while his agents and organs were sneering at or ridiculing it, and was ready to negotiate a compromise on such terms as Scallon would name; but at that time President Rogers, the genius and chief of the power of the Standard Oil interests, averse to submission to what he was pleased to regard as exaction of tribute, and angered by personal attacks upon himself, would consider nothing short of unconditional surrender from his adversary in Montana.

The settlement with Heinze was assisted at both ends of operations by the advancing price of copper and new opportunities for stock exploitation and inflation in the speculative market. In 1907 Mr. Ryan, still managing director of the Amalgamated in Montana, had associated with Thomas F. Cole, long affiliated with the steel trust, and the two had organized and floated successfully the stocks of various new copper companies, with properties from Butte to Mexico, with the support of their strong eastern connections, and aided by the power and influence and wealth of the great organizations with which they were connected and which was largely subject to their uses in these works of promotion. Mr. Ryan spent most of his time in New York.

Within three years he had become rated as a multi-millionaire, acquired a residence on Fifth Avenue and, with his partner Cole, negotiated the purchase of the largest private yacht on the market, if not on the ocean. He spent the summer of 1907 in Europe, returned just before the panic struck Wall Street, signaled his return by an interview typical of his method, wherein he announced that conditions everywhere insured against a lower price than twenty-five cents per pound for copper, reached Butte about the time that the financial storm struck the stock-market with greatest severity, and a few days later went to bed with nervous prostration, convinced that he was a pauper, the glorious optimism of his successful days being replaced by utter hopelessness. Strong friends gave him new hope, skillful physicians gave him new life, and the marvelous climate of Southern California gave him new strength. The resources of the vast interests with which he had become connected were too great to be exhausted by one panic depreciation, and control of the real properties remained after the worthlessness of wild-cat holdings was revealed. Mr. Ryan was restored to health and activity in time to attend the funeral of Mr. Rogers and to succeed him as president of the Amalgamated Company. The power of this position and the restoration of security values from the panic point enabled him to recover wealth as well as prestige. The exploitation of theretofore neglected wealth resources of Montana was

taken up, the scheme for a monopoly control of copper interests throughout the country was revived and revised; and this particular Napoleon was himself again, with the old confidence of the promoter, and better prepared than ever before to undertake conquest of the business world by the sacrifice of people.

Following the advance of Mr. Ryan to [70] presidency of the combine, the position of managing director in Montana lost much of its importance and power, and that official became something very nearly akin to political boss and lobbyist for the interests. The complex business and industrial operations of the complicated corporate system moved smoothly under direction of managers and superintendents and other officers expert in their respective lines. The president continued to be the guiding genius in the creation and over-capitalization and flotation of new companies, while the termination of the big wars relieved the field marshal of most responsibilities and duties. Mr. Ryan chose for his successor in Montana Mr. John G. Morony, who possessed talents as well as acquaintance and experience to qualify him for the work in which he was employed. Mr. Morony's career from a youthful period of his life had been closely connected with politics in Montana. From a clerkship in a county office he had advanced to another appointive position as examiner of state banks, and became associated with Ryan, shortly after the latter's arrival as a resident of the state, as cashier of the Daly estate bank at Great Falls, later advancing to the office of president of the Daly Bank in Butte. The two were intimate friends and throughout Ryan's operations in the state he utilized Morony's knowledge of men and affairs and his political abilities with much advantage to himself. Mr. Morony had a natural inclination as well as a practical training for the exercise of political power as a director. With the influence and means and organization of the combine in both parties subject to command he was able to secure astonishing results in legislation and administration, although dictatorial methods and sometimes erratic manners invited resentments and caused enmities which reinforced the

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Ryan's antipathy to much of the membership of the Butte Miners' Union, easily controlling in a vain and selfish mind. In the latter part of the year 1909, the Great Northern Railway Company in Montana had a strike by switch-men to contend with. The ores in the mines of Butte formerly owned by the Boston and Montana Company were shipped to Great Falls smelters over the Great Northern Railway for reduction. **The service of the railway, almost never good through niggardly policy of management, was interrupted** in the moving of freight trains by this strike, and further hampered towards the close of the year by extreme cold weather and storms. All other ores of Amalgamated properties and allied interests in Butte were taken to Anaconda, in an opposite direction, over a railway owned and operated by the copper combine and unaffected by the switchmen's strike. Owing to the inability of the Great Northern Railway Company to handle the ore traffic at Great Falls, the smelters in that city were closed and the work of production was suspended in the Butte mines which supplied them with ore. This condition had existed, for several weeks. Efforts had been made at Great Falls and in Butte by business men, co-operating with the railway people, to relieve the situation by employing miners and smeltermen as substitutes for striking switchmen. The Butte Miners' Union, when the subject was taken to them for consideration, adopted resolutions of sympathy with the strikers. A conference committee, composed of representatives of the mill and smeltermen's unions and of the Butte Miners' Union, met in Butte to consider the situation and a subcommittee had an

interview with Mr. Ryan who recently had arrived from New York on one of his brief visits to Montana. On the day that this inter- [105] view was held The Butte Intermountain, avowed organ of the copper company, published what purported to give an account of the proceedings. Members of the conference committee issued a statement denying the accuracy of such report. As a result of these conferences a form of resolution was drafted for presentation to the several unions interested, to be by them submitted to referendum vote. The smeltermen's union at Great Falls adopted the resolution. On January 1 the miners' union held a special meeting and adjourned after refusing to take the action suggested in behalf of the corporate interests. The next day it was announced that order had been issued to close all the mines of the Amalgamated Company that afternoon, with published assertion that the suspension would be for a period of at least six months, •but that this order had been temporarily withdrawn at the request of Great Falls smeltermen. That afternoon Mr. Ryan published an official statement confirming the report of a determination to close down, and a supplementary assurance that the putting of the decision into effect was withheld for a few days to give the Great Falls smeltermen sufficient time to exhaust their resources towards resumption of traffic in the Great Falls yards on the Great Northern Railway, and the positive threat that "the mines now in operation will continue so only for a sufficient time to comply with the request of the Great Falls Mill and Smeltermen's Union." The time and conditions were most opportune to lend force to the threat of use of the combine's favorite argument of shut-down, with menace of privation and want for thousands of men and for those dependent upon them. Neither business men nor wage-earners had recovered from severe losses incident to the panic times and partial suspension of mining operations. The price of copper was [106] low and the combine was working for better rates by curtailment of product. There was a surplus of labor, and intense cold weather prevailed. In this situation Mr. Ryan issued his ultimatum that members of the Butte Miners' Union must assist as strike-breakers for a railway company in a town hundreds of miles away or themselves be shut out of employment without resources in mid-winter. After the publication of the Ryan threat, a special meeting of the Butte Miners' Union was called to be held the next night. The Butte and Anaconda newspapers, subject to Ryan's direction, carried appeals to the miners for action rescinding their previous proceedings, with intimations designed to influence men acting from selfish motives, and urging a full attendance at the meeting. There was a full attendance. The meeting had to be adjourned from the Union Hall to the city auditorium, where it was conservatively estimated that more than 5,000 members gathered for secret session.

The discussion lasted two hours and it dealt directly with union principles and combine threats. By a vote practically unanimous, the union decided against a vote on the discredited report of the conference committee and stood by the previous action of the union. Mr. John D. Ryan left Butte before daylight, and Montana as quickly as a fast train could carry him. The Butte papers next morning carried the news that resumption of operations at the Great Falls smelter had been ordered, that switching would be done by officials of the railway company, and that resumption in the Boston and Montana mines in Butte would be had as soon as warranted by demand for more ore at Great Falls. If there ever was better reason for the threat to suspend operations at Butte and Anaconda than that involved in the fact that the price of copper was very low and that Mr. Ryan be

lieved the time was ripe to bring the miners' union to terms with a prospect of starvation, such reason never was given publicity in any of the many publications devoted alike to combine defense and flattery of Ryan.

The Butte Miners' Union at the greatest meeting of its members held in many years, most of them without resources in reserve, many of them with wives and children to care for, called this pompous head of a lawless combine, who ruled the state of Montana like a despot, to a complete show-down. They proved him false in promise and a quitter in performance. They challenged him to contest with all the odds and weapons in his possession. He confessed his crime by rescinding his own orders, and fled like a crook.

All things considered, that action by the Butte Miners' Union on that occasion constituted as splendid an exhibition of congregate physical and moral courage in devotion to principle and disregard of self as can be cited since the volunteer armies of patriotism marched to death to maintain free government against the forces enlisted for the extension of slavery. It was the last successful demonstration by the Butte Miners' Union of its power in defense of the rights of its members. It is likely to be the last until there has been another change in much of its membership, and it may have been the cause of the Ryan policy which has replaced so much of that membership in the union, as well as in the mines and smelters, with "bohunks" in place of American citizens.

Governmental Functions of a Wall Street Combine In a Sovereign State

In theory the state of Montana has a republican form of government. In practice it is governed by a Wall street combine organized under the laws of New Jersey. The people rule ostensibly and in declaration of constitutional provision through duly designated representatives. The corporate bosses rule actually through corrupted and corrupting agencies. The constitutions of Montana (Section I, Article IV,) provided for the division of government into three co-ordinate departments, legislative, executive and judicial. The Amalgamated Copper Company has supplied a fourth inordinate branch, with supervisory control over all, which may be properly designated as managerial. The Constitution of Montana (Section I, Article III,) provided: "All political power is vested in and derived from the people; all government of right originates with the people; is founded upon their will only and is instituted solely for the good of the whole." The Amalgamated Copper Company has determined that all political power in Montana is vested in its agents and derived from its managers, and is an institution to be exercised, rightly or wrongly, chiefly for the gain of Wall Street speculators. So broad a statement may be disputed by a few official honorables in Montana, proud of their titles and wise in the knowledge that they are permitted to exercise their little brief authority in public affairs compatibly with combine purposes and that they receive at least [109]

111 election booth, through legislation, administration and litigation, to the final decision of the court of last resort. With the current of events obstructed or diverted by conflicting opinions, rival ambitions, party divisions, limitless variety of interests, constitutional limitations, maze of judicial interpretation and precedent—there is a wide field of opportunity for the corporate lobbyist to play his little joker and win the trick for his employers without disturbing the integrity

of very many public servants for each transaction. Moreover, always it must be borne in mind that this conquest of Montana was being made by Napoleons and not by novices. This was no Robin Hood or Captain Kidd adventure in lawlessness, no plebeian holdup of belated citizens. Quite the contrary. Here was a matter of big business to be transacted between gentlemen, all actuated by professed concern for general prosperity and the public good. Here are the names of the directors of the Amalgamated Copper Company as printed in "The Manual of Statistics, Stock Exchange Handbook" for the year 1907; Albert C. Burrage, Boston; George H. Church, New York; John E. Judson, New York; William Rockefeller, New York; Henry H. Rogers, New York; Henry H. Rogers, Jr., New York; James Stillman, New York. The same authority announced that the main office is 42 Broadway, New York, and that the annual meeting is held the first Monday in June at Jersey City. Were these not all honorable men, located in an eminently respectable neighborhood, meeting regularly according to the laws of New Jersey? Was not Mr. John D. Ryan, banker and publicist, their managing director in and for Montana? Were they not employing nearly 15,000 men in the state, and nearly one hundred newspapers, and the most influential persons they could think of in both political parties?

121 cratic ticket, while the republicans were permitted to give Mr. Taft a majority of many thousands and to elect every other candidate on their state ticket, the political double dealing of the combine managers being more open and easily traceable in the returns than in 1904. Governor Norris has been radically outspoken for public interests in messages to the legislature and in public addresses. He has been an abject tool of the combine whenever and wherever they have seemed to need his official action or influence. The chief lobbyist for the copper combine, in a public resort in Helena, has been known to have called the governor to the telephone to give him instructions. The extreme confidence which the combine managers reposed in the serviceable qualities of this executive is at least indicated by the fact that to support and elect him they were willing to trick and betray, in his opponent, Senator Edward Donlan, who, in his legislative career, during the Heinze-Amalgamated fight, had been their faithful and influential supporter.

Mr. Donlan had secured the nomination in the republican convention after a vigorous fight, whereby he had defeated the plans as well as the candidate of Senator Carter, at that time the combine's chief representative in the republican party of Montana, as well as at Washington. A few days before election there were whispered communications between some republicans that word had been received from John D. Ryan, head of the combine and nominal democrat, that the republicans could have the electoral vote of Montana for Taft and all the other state offices if the company could have its way on the governorship. On election night in Helena, Mr. T. Arthur Marlowe, banker, allied in interests and maintaining intimate relations with combine agencies, a renegade democrat since the election of 1904, and treasurer

The unmistakable exercise of controlling power over government agencies is demonstrated by such a record of results. Use of this power was not confined to the determination of issues of large importance. It was exercised in minor affairs wherever monopoly profits could be enhanced in the slightest degree, or whenever it could be utilized to extend and perfect the power itself.

It has been mentioned how great advantage in politics and legislation was secured by maintaining a manifestly unfair legislative apportionment of the state with excess of representation in the mining and industrial district where corporation power was concentrated. Under the

scheme of representation each county is entitled to one state senator and at least one member of the house of representatives. Agricultural development of the state has been rapid in recent years, with large increase of population in territory previously used as ranges for cattle and sheep on the public domain. In this territory there were counties with area greater than that of any one of a number of states, and their settlement created conditions whereby citizens were compelled to travel hundreds of miles, with large expense of transportation and loss of time, to reach the county seat. Until the year 1911 all county divisions were made by the legislature. To create new counties in agricultural sections was to increase legislative representation for citizens independent of corporate influence to a great

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extent. Notwithstanding apparent needs and frequent demands, only three counties were created after Amalgamated supremacy, prior to the enactment of a law in 1911 which made it possible, although very difficult, for the people of a county to divide its territory without special legislative action. Two of these counties, Lincoln and Sanders, were located in the mountainous timbered sections of western Montana where the Amalgamated Company and its allied interests owned the greater part of the land and timber not held by the government in forest reserve, and where the larger part of the population was employed in lumber operations of the corporation or its customers. The third, and the only new county in the vast agricultural region, was Musselshell, where the chief town and county seat of Roundup had for its industry the operation of extensive coal mines owned by the Chicago, Milwaukee and Puget Sound Railway Company, which in turn was owned by the same interests in control of the Amalgamated Company and managed, in part at least, by the same directors. The extension of this railway through the state afforded other examples of corporation care over political affairs. The principal shops of the company in Montana were located in Powell county, hostile to the copper corporation by reason of extensive and unliquidated damages to agriculture and livestock from smelter fumes. This colonizing of railway employees in the city of Deer Lodge gave to the corporate interests controlling power in elections in Powell county. Similar enterprise and generous consideration to Miles City gave to the same interests a large influence in an important county in the eastern part of the state, which in earlier times had been derisively designated by corporate politicians and lobbyists as the cow country.

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through irrefutable evidence that the people of Montana were being grossly overcharged for transportation services, as compared with charges for greater services to states farther west. He supported vigorously and effectively the amendment to the Interstate Commerce law prohibiting higher charges for a short than for a long haul over the same line in the same direction, a bit of legislation which has proven of very great benefit to the people of Montana in meeting competition as well as in saving extortionate freight charges. The Wall Street interests which operate in mining, and politics, and other leading industries of Montana, also operate the Chicago, Milwaukee and St. Paul Railway, which runs through Montana, as well as other important transportation systems. As soon as the managers of these interests became convinced that they could not operate Mr. Dixon as United States senator, he became "unsatisfactory" to Ryan, and Morony, and Kelly, and Lanstrum, and Marlowe, and Durston, and all other democrats,

near-democrats and ex-democrats, together with most republicans who took their political orders and nourishment from the copper combine. Persistent refusal by Dixon to serve these special interests, regardless of the rights of his constituents, was followed by loss of President Taft's confidence in Mr. Dixon's judgment, so that the senator's recommendations relating to patronage and things of that kind came to be rejected or unconsidered. By 1910 Senator Dixon was an insurgent in good standing among the insurgents in the United States senate, and in bad standing with the representatives of special interests in that body and in Montana. The democratic press of the state, subject to combine influence, commenced warfare upon Dixon in real seriousness. The republican press of the state, subject

146 t the possibility of the election of Carter tl' of the Amalgamated "democrats" from fly—a plan of action so much discussed was predicted in press dispatches sent and printed in metropolitan papers in Washington and elsewhere early in the legislative session.

Doubtless the corporation interests might have procured such a result but for the certainty that republicans like Mr. Meyer would not tolerate it and that the majority of the democrats would send protest to Washington likely to furnish a repetition of the Lorimer case, at that time in full light of first public exposure. In Fergus county, reliably republican as a rule, the anti-Carter- combine sentiment became so evident in the campaign that word was sent from combine headquarters that Mr. Thomas Stout, a democratic candidate for the senate and a Walsh man, must be defeated. An edict was issued to employees of the "Milwaukee" railway company to promote the end desired. Mr. Stout was elected by a handsome majority after an open fight against the bosses. With him went another vote against Carter from this republican agricultural county in the election of one democratic representative to the house.

When the legislature met in 1911 and a vote for senator was taken Mr. Walsh had a clear majority of the votes of the majority party on joint ballot. He was defeated because a dead-lock was created by the refusal of ten democrats to sign the call for a party caucus or an agreement to be governed by its actions. On party lines the legislative forces were divided with 53 democrats and 49 republicans on joint ballot. Of the democrats who refused to sign the caucus call, eight were from Silver Bow county and all were mere servants of the combine interests. Representative Roy S. Alley, sec

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"It is alleged Judge Brantly took occasion to tell President Taft about Cheadle's attitude on the recall question during his recent visit to Montana. Jack Waite has endorsed Judge Cheadle individually, but not as the republican state chairman.

"Senator Myers says he is taking no part in the controversy, but asserts that he has endorsed Pigott for the place, and Thomas A. Marlowe has filed a letter suggesting that Mr. Pigott's appointment would give satisfaction.

"Judge Hunt, who at the request of the president has

submitted to him a statement regarding all candidates, is favorably disposed toward Judge Pigott. Representative Charles Pray is holding aloof.”

Mr. “Con.” Kelley at that time was chief of the legal department of the copper combine at Butte, and Mr. L. O. Evans was next in rank to him in the same department. O. M. Lanstrum was a “Poohbah” of corruption for the same interests, and Mr. Marlowe was his “fidus Achates”. Judge Brantly was chief justice of the supreme court of Montana, and Judge Cheadle had been a candidate against him. Mr. Waite was a neighbor and personal friend of Judge Cheadle, and the political chum of the combine managers of the party machine. Senator Myers was the democrat who succeeded Senator Carter. Mr. Pigott was a democrat, a distinguished lawyer, and reputable citizen, who had served on the bench many years before. Congressman Pray was “Everybody’s Friend”. The judicial mind of President Taft apparently was perplexed by these conflicting recommendations. For more than four months the vacancy on the bench continued. The contingent of untried prisoners in jail increased, and parties to civil actions waited for that

p. 186 tion of the property in value and by intimidation of the owners through attacks in court upon titles to mining claims or upon rights to mineral veins under the apex law.

The extreme helplessness of the average independent operator thus assailed was demonstrated repeatedly and each demonstration naturally served as an object lesson to assist in convincing other property owners of the hopelessness of combatting the big company in the local courts. At the same time all of the great influences of the great organization and the abilities of an extravagantly maintained legal department were employed to resist efforts to remove these court trials to districts beyond combine control. The complete mastery over men and conditions thus obtained is concisely and comprehensively described in the legal proceedings whereby a defendant mining company sought to remove the trial of its case to another court. This suit was brought in the name of the Anaconda Copper Mining Company against the Butte- Balaklava Mining company to deprive the last named corporation of the right to mine certain veins of ore which it had developed within its mining claims. Counsel for the defendant company, in support of its effort to secure a change of venue, filed the following attested statement by Mr. James A. Murray, himself not a party to the suit, although defendant in a somewhat similar case involving properties of his own. With the single exception of Mr. W. A. Clark, Mr. Murray easily ranks first among Montana citizens as an individual possessed of great wealth. His responsibility is unquestionable, and as a pioneer of Butte who had fought his way to success with and against all the great conflicting influences known in the mining history of the town, his knowledge of the facts is not of hearsay character. Here

p. 187 are the conditions which existed in the most populous county of Montana and in the metropolis of the state on the seventh day of August, 1911, as described by Mr. Murray under oath:

“JAMES A. MURRAY being first duly sworn says: That he is a resident of the county of Silver Bow and has been for 83 years; that the county of Silver Bow is a county of small territorial area, consisting primarily of the City of Butte and

suburbs Immediately adjacent, with an outlying territory sparsely settled; that within such outlying territory, there is a total of not to exceed 360 legal voters, in an aggregate of 12,256 for the said county as shown by the official returns of the general election for the year 1910; that the basic industry of the city of Butte Is, and for twenty years last past has been, quartz mining—the principal ore mined for many years last past being copper; that the mines now being operated within said county of Silver Bow all lie within the said city of Butte. or in territory Immediately adjacent thereto.

“That prior to the year 1910, the business of mining was carried on within said city of Butte and county of Silver Bow, by various companies, largely, if not entirely, independent of each other In their directorate as well as in respect to their stockholders, and that many of said companies employed large numbers of men, in a number of Instances as many as one thousand or more, the successful conduct of mining in the Butte camp being possible only when conducted on a comparatively large scale, utilizing capital in very considerable amount, and employing laborers in very considerable numbers; and that prior to the year 1900, there was so engaged in carrying on the business of mining In and about the city of Butte and within the said county of Silver Bow, the plaintiff, Anaconda Copper Mining Company, the Washoe Copper Mining Company, the Parrot Silver and Copper Company, the Boston and Montana Consolidated Copper and Silver Mining Company, the Butte and Boston Consolidated Copper and Silver Company, and the Colorado Mining and Smelting Company; that at the same time and thereafter until about the month of February, 1906, a group of corporations generally known as the “Helnze companies” were similarly engaged in mining in the County of Silver Bow, and among others,—the Montana Ore Purchasing Company,

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million (\$2,500,000) Dollars, and carrying loans and discounts aggregating upwards of one and one-half million (\$1,500,000) Dollars, a large amount of which is, as affiant Is informed and believes, loaned to men in business, and residents of the city of Butte; that the said bank takes its name from one Marcus Daly, who was for many years the general manager and managing director of the plaintiff company, and who was one of

the organizers of the Amalgamated Copper Company, and that the business affairs of said bank are now, and for some years last past, have been under the direction of one John G. Morony who succeeded, in the management of said bank, the said John D. Ryan, and who, in the absence of said John D. Ryan, is the chief representative of the Amalgamated Copper Company in the state of Montana, and who is now a director of said company.

“That It is generally understood in and about the city of Butte, and on Information and belief, allant avers the fact to be, that the said Amalgamated Copper Company, or some of its stockholders own the controlling interest In the stock of the Butte Water Company which supplies the city of Butte with water, and the Butte Electric & Power Company which supplies electric light, gas and power to the city of Butte and its inhabitants.

“That the only evening paper published in the city’ of Butte is the Butte Inter-Mountain, owned by the Butte Inter-Mountain Company; that the stock of the Butte Inter-Mountain Company Is, as affiant is Informed and believes, owned by’ the said Amalgamated Copper Company, or some of Its principal stockholders, and that the policy of said paper is under the direction and control of the same persons directing the affairs of the said company within the state of Montana; that the only’ morning paper published In the city of Butte is the Butte Miner, hereinafter referred to, but that there Is published in the city of Anaconda, a morning paper having a large circulation in the city of Butte, known as the Anaconda Standard; that said Anaconda Standard was established by the said Marcus Daly and that the estate of the said Marcus Daly still owns a large, if not a controlling interest in the same; that the said newspaper depends to a very great extent for Its support upon the advertising and other patronage of the corporation controlled by or affiliated with the said plaintiff company and the said Amalgamated Copper Company, and that its policy’ Is, and always has been, uniformly in conformity with the purposes and desires of the plaintiff and the said Amalgamated Copper

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Company; that the said Butte Miner is owned by the Miner Publishing Company, the stock of which is owned or controlled by the sald~ W. A. Clark, and that its business interests are largely dependent upon the good will, or at least upon not incurring the active antagonism of the said plaintiff and the said Amalgamated Copper Company and the Individuals and officers locally directing their affairs, and that it exhibits, at all times, a noticeable conformity to the policy of its contemporary, the said Anaconda Standard.

“Affiant further avers on Information and belief, that the Individuals in chief control of the affairs of the said plaintiff company and the said Amalgamated Copper Company, in the state of Montana, are interested as stockholders and otherwise in various other companies doing business in the city of Butte, to a greater or less extent, and further affiant says that the same persons have at all times been active In connection with any political movements in the city of Butte, and have, as Is well known, exercised a very large and generally a preponderating influence in the deliberations of the political conventions held In said county of Silver Bow, and have been largely Instrumental in the selection of the candidates of the various parties for all local affairs, and that the belief generally prevails within the said county of Silver Bow, and throughout the state of Montana, that the said individuals, acting under the direction and with the co-operation of the said plaintiff company and the said Amalgamated Copper Company, are all powerful in the selection of the candidates of the political conventions held in the said county, and that in consequence of such belief, the said individuals and the said corporation wield a powerful influence over all, or nearly all persons occupying or expecting to occupy official position within the county of Silver Bow.

“That the Chicago, Milwaukee and Puget Sound Railway Company owns and operates a transcontinental line of railway through the county of Silver Bow and the city of Butte, and in addition to and In connection with its transportation business, It is engaged in the sale of coal, brought to the said city of Butte from mines near Roundup, Montana; it maintains a dispatcher’s office, within said city, a General Freight and Passenger Agent’s office, an Assistant General Superintendent’s office, a law office and an office of an Engineer of Construction; that In addition to the foregoing, It employs within said county, a number of section men, yard employees and tral-men; that the stock of the said Chicago Milwaukee

p. 196 and Puget Sound Company is owned, as affiant is informed and believes, by the Chicago, Milwaukee and St. Paul Railway Company, a parent company; that it is generally understood that the stockholders in whose hands are the management and the control of the said Amalgamated Copper Company and the said Standard Oil Company, are likewise stockholders, who manage and control, at its head, the business of the Chicago, Milwaukee and St. Paul Railway’ Company, and that said John D. Ryan, the president of the said Amalgamated Copper Company, and one Win. Rockefeller, prominent in the affairs of the said Standard Oil Company, are both directors of the Chicago, Milwaukee and St. Paul Railway Company.

When God created that part of the world now known as the state of Montana for the benefit of a few distinguished Wall Street operators, and filled the Butte hill with gold and silver and copper, he likewise created fertile and beautiful valleys richly adapted to production of fruits of the soil and of sheep and cattle as well as to habitation for happy human kind. Inscrutable Providence likewise mixed the precious metals of the Butte hill with profuse quantities of sulphur and arsenic. Long years before Coal Baron Baer had revealed the puissant right of modern combines as instruments of Divine will and Infinite mercy, or the Rockefellers and Rogers had instituted this right in Montana, perverse man, in guise of pioneer, had penetrated to these valleys, had developed farms, established homes, accumulated flocks and herds, installed the arts of civilization, and dreamed of gratitude from a prosperous posterity. By reason of its proximity to the mining fields and town, and because of its extensive soil and water resources, Deer Lodge valley was one of the first in the state to be occupied by ranchmen. This valley started in the mountains a few miles west of Butte and extended north for about fifty miles, with width varying from five to fifteen miles, between foothills largely wooded and with never-failing mountain streams flowing from either side as feeders to the Deer Lodge river which coursed its length.

The first rich earnings of the Anaconda Copper Mining company were derived by shipping high grade ores

p. 203 smokestack in the world. Both flume and stack were equipped with devices designed to hold in the flume great quantities of the arsenic, and it was the theory of the experts that the smoke from this stack would be projected into the air at so great an altitude and diffused over such great space before reaching the ground that the precipitation from it would be harmless. Something like \$300,000 was paid to the farmers to compensate them for loss and injuries, and to secure releases from them of damage claims till July 1, 1903, when the new stack was to be completed. The completion of the stack was noted by a celebration which was attended by Deer Lodge valley farmers almost unanimously, and they were entertained with other people to the number of hundreds at a banquet served in the shelter of the great flume. There was an abundance of goodwill and mutual congratulation, based upon mutual confidence that cause of trouble or damage on either side was to be removed.

While the great flume caught and saved to the copper company arsenic in quantity to control the market of the world, and is alleged to have more than paid its cost by saving in mineral which formerly had gone into the air from furnace stacks, it did not afford a satisfactory protection to the farmers against smelter poison. It did diffuse the smoke contents over a greatly extended area and make the effects from them less immediately noticeable. Late in 1904 there were new claims for damages, and in 1905 almost all of the farmers in the valley were members of an association organized to secure compensation for losses incurred, and relief from or protection against future injury. The company had changed in management and in policy. John D. Ryan had succeeded

William Scallon, and it was determined to wear out rather than to buy out the farmers of the Deer Lodge

p 214 years devoted to wearing out this community of farmers who had temerity to beard a

combine in court. The menace of a shutdown, the danger of want, if not starvation, to many thousands in widely scattered parts of Montana, was a favored and well exploited argument for this as well as other emergencies. If we may believe the decision, this had profound weight with the honorable trial court. Less serious to the public, amusing to most people with sense of humor, and very expensive to the combine, was the attempt to demonstrate the agricultural prosperity of Deer Lodge county by county fairs in the smelter town, under combine auspices and management, and chiefly with combine exhibits. The following quite accurate report of the annual Deer Lodge county fair in September, 1910, is entitled to place in any comical history of Montana, and therefore is presented:

“The Amalgamated Copper Company’s annual Deer-Lodge County fair has been in session this week, and as a general exhibit of monumental buncombe the giant trust’s own private little exposition is the same proud success it has been ever since the first year when Mr. E. P. Mathewson, Mr. Martin Martin, and other gentlemen who lean to the interest of that corporation, foisted it upon a local public so enfeebled by long intimidation that it has been incapable of protest. As customary the exclusive exhibitor on its own merits and for its own independent benefit is the Amalgamated Copper Company of New Jersey. Of course there are other exhibitors who have lent their names and services to the trust, among these the State Insane Asylum, an institution supported by the commonwealth under contract, but which the copper corporation finds eminently serviceable in this connection. The farmers of the devastated

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Deer Lodge valley do not take part in this travesty; the smoke fumes have not left them the crops with which to participate in the game properly, and of course they do not care to dance at their own funeral.

“The Amalgamated Copper company conducted its fair this year in precisely the manner in which it runs its smelters and, other affairs—through its agents. The directors of the trust’s fair are the company’s men, namely, Mr. E. P. Mathewson, superintendent of the smelter; A. C. McCallum, Anaconda, merchant, who has admitted that he conducts his business under awe of and by grace of the company; E. J. Bowman, the company’s banker; John Lawlor, coroner and undertaker and agent for the company’s cemetery; W. E. Coleman, chief clerk in the company’s electric light department. It will be observed that the company has a cemetery as well as a fair and smelter. The trust’s agents ran the fair; the trust’s newspaper, the Anaconda Standard, ad-

vertised and praised it; the trust's agents collected and submitted exhibits and won prizes; and the trust's dog, if it has one, probably wagged its tail with canine satisfaction at the entire exhibit of cool corporation depravity and deceit. There are no real farmers in the board of control, and there never have been. The fair, like the smelter, is an exclusive industry devoted purely to the interests of the combine. Consequently the operating machinery is kept entirely in the hands of the latter. The copper combine spends money on this county fair, and the structure it erects annually with shipped-in livestock, pickled grains and grasses secured from many localities at great expense and kept over from year to year, and stolen vegetable specimens rifled from the "smoke-farmers'" gardens and the hand-cultured city lots of Anaconda by night is so shaky, flimsy and

p 216 plastered over with easily detected lies and frauds that prying eyes must be kept entirely off the 'works'. It might be a risky business to let an impartial person act even as spectator.

"The farmers of the Deer Lodge valley do not exhibit at the smelter company's fair because the smelter has partially or wholly ruined their farms, and because the fair was established and is maintained by the smelter company for its own sinister purpose and not to encourage farming in the Deer Lodge valley. After the effective discouragement to which it has subjected such farming with its smelter, the pretense that this fair is to encourage farming would be a joke if it were not such a job.

"The ways the Amalgamated Copper company runs this little fair are worth considering by the people of Montana—at least that part of them that care anything for honesty, a square deal, or the rights of men. The purpose of an honest county agricultural fair is to show what the county produces in agriculture and livestock.

The purpose of this monopolistic exposition is to cheat the public into the belief that the Washoe smelter has not injured the farms of the Deer Lodge valley. As in previous years, this year the combine has spent large sums to set up before the eyes of the people the usual sham and fraud. The smelter fair is a contemporary of the smelter experimental station which was established for use in the smoke case. It was located by the copper

corporation on ground in the Deer Lodge valley called Section Sixteen, a part of the thousands of acres the trust owns. The smelter people established it in 1905, to show a court what the smelter could grow and raise in spite of the smoke, and the fair was started about the same time by the smelter agents. Prior to this time,

p.217 before smelter smoke had destroyed the agricultural and livestock industries of the Deer Lodge valley, the farmers of the valley desired to hold a fair, and petitioned the county commissioners to appropriate for the fairs use \$1,000, authorized by a new law. Mr. Martin Martin was chairman of the commissioners' board, also private secretary of Mr. E. P. Mathewson, superintendent of the works. The trust did not need a fair then, and Mr. Martin said a fair would be absurd, and he and his fellow commissioners refused the farmers the money. In 1905, under instructions from the company, the commissioners hastened to appropriate a thousand dollars for the purpose, Mr. Martin still holding both his jobs. First, the smelter company refused to let the farmers have back any of their tax money for a fair for themselves; now the trust takes the farmers' tax money and uses it for an exposition of its own, to injure the farmers in litigation.

“But the tax money isn't a drop in the bucket, comparatively, for this trust fair is expensive. The company agents are good managers, and they contrive to make the people of Anaconda contribute substantially to the fair fund. This year the company postponed the fair to agree with the race meet, and its agents on occasion pass through the big smelting works with fair tickets for the employees to purchase, and the employees purchase them because it is wise to do so if they would retain their employment. The side lights on the copper trust's exposition expose the nature of its most profitable 'farming'.

“The most arduous labor involved in creating the meretricious smelter show called the Deer Lodge county fair is connected with obtaining the exhibits. The smoke from the smelter having withered the farms, des
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stroyed the livestock, and generally paralyzed the agricultural and stock raising industries of the Deer Lodge

valley, the copper trust has undertaken to farm some itself, primarily to 'show' a court, and secondarily to furnish exhibits for its fraudulent exposition as a foundation for state fair exploitation. The whole undertaking has been a most expensive venture in agriculture, and while the combine may have succeeded in its first purpose, it has dismally failed in the second. Some of the details of its farming and exhibit collecting are worth relating. The experimental farm on Section Sixteen contained 80 acres, and the copper farmers spent \$2,000 trying to raise a mixed crop of oats and grass on it for four years, finally getting some hay which cost it \$200 a ton. The foreman of the farm testified in court to the cost of this farming, and actual measurement of the hay produced showed there was but ten tons. This hay might properly have been exhibited at the smelter fair in a glass case, and labeled 'Costliest Hay Ever Raised'. Once, before the smelter got this magnificent crop, the grass and oats got up four inches and then were wiped out by the smelter smoke. Farmers who were not smelter agents dug down under the withered tops and found the roots of the grass and grain alive and the ground moist, and they say these roots would make a true exhibit of what the Deer Lodge valley now produces. After it raised this hay crop the smelter people scattered grass and grain growing experiments among its other farms in the valley, and while some of its witnesses in the smoke case testified that its fields 'looked well', it has never threshed a pound of grain.

"The company's method of handling livestock and the results of its venture in the livestock business have duplicated those of its farming enterprise. The trust

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owns 8,000 acres of low lands, largely natural meadow lands, and in 1905 it bought 100 head of cattle. There were no animals at all on these princely acres, although once thousands of cattle and horses ranged the valley. Nevertheless, the copper combine kept its 100 head of stock on hay lands, pasturing them in the summer season on land that cost \$25 an acre. These lands, when farmed by farmers who have to make a profit and cannot make expensive experiments for fair exhibits, court purposes, or otherwise, were used for the purpose of raising hay. The copper combine also bought a band of three-year-old steers for \$33 per head in the fall of 1906. It kept these animals a year, and then sold them

for \$30 a head, realizing a net loss of \$3 a head and a year's keep, notwithstanding prices for cattle were twenty-five per cent, higher at that time than when the steers were bought. As a concluding instance of the copper company's achievements in the Deer Lodge valley its experience with the French Crossing ranch caps the climax. In 1906-7 the combine expended about \$30,000 improving the lands, erecting buildings, excavating ditches and the like on this place, for smoke case purposes, yet when it closed down this work and undertook to rent the ranch the best rental it could obtain was \$300 a year.

"In obtaining material with which to fashion its Deer Lodge county fair the copper company has had even a more disgusting and miserable career. In order to get agricultural exhibits it has sent its hired men out over the valley to pick up bunches of good looking grass and grain wherever they could find them. Of course the smoke does not take every bit of vegetation clean, so this was not difficult. However, the exhibit collectors had to work at night as well as in the daytime, and were obliged

to take many samples surreptitiously from the lands of farmers who strenuously objected to the confidence game being rigged. These cribbed exhibits were not entered in the names of the farmers openly, yet after the fair was over, several of the farmers received checks for premiums and prizes awarded them, which they indignantly returned to the combine. The colossal effrontery of the smelter management is exhibited by the addition of this insult to the ruinous injury it has imposed upon its victims in the Deer Lodge valley. One award made was a first prize for macaroni wheat to Matt Smith, a farmer. Smith had two acres of wheat, and his entire crop consisted of fifteen bushels of wheat. This wheat crop no doubt beat the copper trust's ten tons of hay, however. The copper corporation's tools also filched exhibits from gardens and vegetable patches, and the combine generously gave one lady a first premium for a handful of flax which she had sown in her garden, and which represented the entire acreage of flax on the ranch. The company got a bunch of redtop 'hay from the Bliss ranch and entered it at the fair without the knowledge of Bliss or his tenants. This sample looked fine, yet it represented a crop that produced less than forty tons of hay on 320 acres of land. The combine awarded one

man a prize for red clover hay although he had never raised a pound of red clover hay on his place. It likewise put a blue ribbon on an exhibit plucked in Powell county. It took a lot of labor and money for the combine to equip itself with fair exhibits, and therefore it had those secured for the fair in 1905 taken to the courthouse to a room assigned to it by the county commissioners, and there skilled employees picked off every burned or blasted leaf and straightened out every spear and stock, tied red, white and blue ribbons on them, and

- p. 221 laid them carefully away for future fairs. Thereafter they appeared annually at all Deer Lodge county fairs and all state fairs, and once more will make their bow this year at the copper farmers' annual exposition."

In March, 1911, the circuit court of appeals at San Francisco affirmed Judge Hunt's decision given two years before. It is not too much to say, because it is the truth, which cannot affect adversely any honest interest or cause or court, that after six years of strenuous conflict between the farmers and the combine, there has been no judicial adjudication of this matter so far as the merits of the real issues between the parties to action are concerned. The honorable courts have decided that the operations of the smelters cause damage to the property of the farmers, and that it is a continuing damage, but that as to the plaintiff, Bliss, the remedy he sought through all these tedious and costly court proceedings, with the consent and under the direction of the judges, was not the right remedy in law and that his relief must be found by new and other proceedings; with no assurance that they would be less prolonged or less expensive; while as to the other farmers injured, they of course have had no standing at all in court at any time. Without the obstinate determination of Mr. Bielenberg, and without large resources in real money which he realized in successful enterprise apart from farming in the Deer Lodge valley, and without persistent integrity of plaintiff's attorneys, Messrs. R. L. Clinton and C. M. Sawyer, the litigation certainly would have ended in earlier and cheaper triumph for combine management. Mr. Clinton was an attorney in Butte, and Mr. Sawyer in Anaconda. What each has been compelled to resist in abuse, in ridicule, in loss of business, and in temptation, in combine-ruled communities, entitles them to recognition as historical if not heroic characters.

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eral wealth, had prompted a constitutional safeguard by declaring the use of water, when appropriated for sale, rental, etc., together with ditches, flumes and reservoir sites used in connection therewith, to be a public use. This water power company went into court and secured an appraisal of the placer lands needed in its business, but the price was not satisfactory to the owners and they appealed to the higher court. While the action was pending and undecided a bill was introduced in the legislature extending the right of eminent domain to foreign corporations. The copper combine lobby secured the passage of that bill. The power company instituted new proceedings to condemn the property for public use. The owners resisted and pleaded the unconstitutionality of the act. The supreme court upheld the law. The thoughtful framers of the constitution, in seeking to protect the powers of the state against corporate powers and encroachments, had specifically provided that the right of eminent domain shall never be abridged. Doubt-

less they never dreamed that a legislature would be found to extend it for the benefit of a foreign corporate combine.

It remained for the next succeeding legislature,— under the personal command of Managing Director John G. Morony and the skillful guidance of copper combine attorneys from New York to Butte, with versatile lobbyists in and out of the seats of members of both branches of the lawmaking body, with timely aid and sanction of members of the supreme court of the state, and with executive approval of a governor who possessed the information to enable him to know better but who lacked the courage and integrity to prompt him to do better,— to provide laws and delegate powers to corporations whereby and wherewith the most insignificant company

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in the control of the combine might be lawfully employed to acquire the world, pay for it with company stock or bonds, and own and operate everything within or upon it from the most infinitesimal detail to the vast entirety. This legislation was not secured with honest argument or through legislative ignorance or innocence. Able and upright men exposed and denounced it before committees and on the floors of both chambers. The mere source of it, the silence of the combine press regarding it, the enormous combine lobby gathered at Helena in promotion of it, the palpably false and ridiculously foolish explanations of its purpose by its sponsors —any one of these should have been sufficient to put a legislator with ordinary intelligence or a spark of integrity upon his guard, without any opposition. The house had a nominal democratic majority and the senate a nominal republican supremacy. The corruption was non-partisan. On final passage the senate was divided sixteen for the bill and ten against it, with one absent; in the house there were forty-seven ayes and twenty noes with four absentees. Some details are of

interest.

Extraordinary activity of combine influences in perfecting the legislative organization, followed by an unusually large lobby including high officials of the combine, early in the session aroused curiosity regarding what could be wanted by the corporation, which already had acquired most of the known copper wealth of the state, the best of the timber resources of the state, a large part of the developed or discovered coal lands of the state, almost all of the developed water power of the state, extensive railway interests, most of the public press, and almost a monopoly of government powers. The first knowledge of the measure outside of the combine circle came when Representative Duncan, of Madi

p. 230 son county, was requested to introduce it by Mr. Fred Whitesides, a trusted friend of Amalgamated high officials. Mr. Duncan declined with the given reason that it was "too dirty" for him. It was finally offered by a member from Cascade county, and was kept out of sight and out of public discussion for some time. When it was considered in committee, the most conspicuous advocates of the measure were Mr. H. A. Gallwey, an official of one of the combine's companies and a leader of its legislative lobby, and L. O. Evans of the combine legal department. The first had been prominent in democratic party conventions and councils and the second played a similar role in the republican party. The explanation was that it was a little bill to help develop the northern part of the state, specifically to authorize a townsite company at Great Falls to develop water power and to engage in the hotel business. On the floor of the assembly chamber, Representative Duncan declared that the measure was iniquitous and designed to enable corporations to do all the things which the federal anti-trust statutes, the recommendations of President Roosevelt, and the sentiment of the people of the country, were opposed to having done. Before the bill came up in the senate for action it was favorably reported by the judiciary committee of that body after hearings at which employees of the combine appeared in its favor, and was then committed to the steering committee of the senate, where it was held till the closing days of the session when the power of the steering committee is greatest, and deliberate consideration of anything by the legislative body as a whole is practically impossible. By this time the measure had been quite thoroughly and publicly discussed in Helena almost everywhere excepting in the combine's daily

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papers of that city. A canvass of the senate by opponents to the bill only a few days before its passage indicated a clear majority against it. Senator Thomas Long, who appeared on the senate floor as the chief spokesman for the combine in advocacy of the bill, had voluntarily denounced the measure and declared his hostility to it only a few days before. On the day of its passage, Senator John E. Edwards, in reply to a question as to what disposition would be made of it, asserted that it had not a chance of passage. He had been secretly working for it, and voted for it. Senator Edward Donlan, who had been defeated for governor largely by treachery of combine political bosses a few months previously, had come

to the legislature, as a holdover senator and the leader of the majority in the senate, with a pocket full of bills calculated to promote public reforms and regulate corporations in the public interest. He gave his influence and his vote to the bill. Upon the floor of the senate, Senators W. F. Myer, of Carbon county, and Thomas M. Everett, of Choteau county, made strong arguments against the measure and described some of the dangers threatened by its enactment; but such arguments were unavailing to change minds otherwise persuaded. Some of the methods used in this work of persuasion were revealed by Senator Meyer in a public address to his constituents subsequently, when he told of the enactment of this law and how Mr. John G. Morony approached him in the hotel at Helena with information that he desired to talk to him about a little measure Mr. Ryan and Mr. Morony wished to get through the legislature. What followed is in the reported language of Senator Meyer:

“Senator,” Morony said, “I want your assistance in a little matter. We want to get a measure through, one that will help us in a little enterprise at Great Falls.”

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“Well, Johnnie, I am with you upon any matter in which I can conscientiously assist you. What is the proposition ?”

“Well, it is a bill to give us the right to secure some water power from northern Montana.~~

Morony is alleged to have explained more fully the details of the measure, whereupon Senator Meyer is quoted as saying:

“Morony, I cannot give you my support for that measure.~~

The matter was dropped for the time. A little later Mr. Morony met Senator Meyer in the same hotel~ where were congregated many legislators and others. He approached the Carbon county senator with, “Meyer, will you support that measure?”

“No, sir; I will not.”

“Senator Meyer, I will give you another chance. You go to the senate and sit down and vote against the bill, if you will, but keep your mouth shut. Will you do that ?”

“Now, Johnnie, you know I would not sit down and

say nothing on that bill.”

“Say, Bill Meyer !“ exclaimed the lobbyist as he stalked across the room, “I’ll give you just one more chance. Say nothing, but manage not to be present in the senate when the vote is taken.”

“Mr. Morony, I will be in the senate chamber, in my seat, voting.”

The combine boss is described as being very angry, as swinging his arms, shaking his fists and proclaiming so that all of those in the vicinity in the hotel might hear:

“Bill Meyer, if you vote against that bill I will camp on your trail the rest of my life, and I will get you.”

A CONSTITUTION BETWEEN FRIENDS

It was six months later when the first comprehensive use of this little local law by the combine management was brought to public knowledge. Among the assets acquired by the Amalgamated company in taking over control of the Anaconda Copper company was an empire of timber land in western Montana, estimated to have some billions of feet of lumber. This had been secured by the Northern Pacific Railway Company in its land grant and obtained by Mr. Daly at trifling cost per acre. It was procured with the primary purpose of insuring a lasting supply of mine timbers, operations requiring the use of approximately 50,000,000 feet of timber annually in connection with Butte mines. From the best information available it is asserted that control of all of the Anaconda properties, including mines, smelters, coal lands, railway, timber, etc., when the Amalgamated Company was organized in 1899, cost the inside promoters something like \$30,000,000. In 1909, when the Amalgamated company was arranging its business in preparation for the great copper merger, to be a rival of the steel trust in magnitude and stock-jobbing opportunity, and was reorganizing its corporate capitalization and organizations for merger and other purposes, its timber land and lumber manufacturing properties acquired from the Anaconda Company were transferred to a new company, organized under authority of this special law, passed by its efforts through the Montana legislature of 1909. The capital stock was placed at \$25,000,000. The articles of incorporation showed that the amount of capital stock actually subscribed was five

shares, one each assigned to John Gillie, superintendent of the Amalgamated company; to C. F. Kelly, attorney for the same company; H. A. Gallwey, a mine superintendent for the same company; R. S. Alley, private sec

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retary to President John D. Ryan; L. O. Evans, attorney and lobbyist for the same company. These five were designated as the first board of directors. Three of these five were conspicuous among the lobbyists employed nine months before in putting House Bill 160 into the form of law. The possibilities under that law are somewhat revealed by the avowed purposes and stated powers of this new "Big Blackfoot Lumber Company", with its principal place of business announced as Missoula, Montana. These purposes and powers, contained in the articles of incorporation filed in the office of the secretary of state at Helena, are as follows:

"(1). Buying, owning, building, constructing and operating saw mills, planing mills, grist mills and flouring mills.

"(2). To purchase or otherwise acquire, own, buy, sell, exchange, deal and traffic in standing timber and timber lands; to buy, cut, haul, dry, exchange and sell timber and logs and to saw and otherwise prepare the same for market, and to buy, manufacture, exchange and sell lumber, bark, wood, pulp and other materials and all articles and products made therefrom or consisting thereof in whole or in part, and generally to carry on as principals, agents, commission merchants, consignees, or in any other capacity whatever, any business appurtenant thereto, or any other business, mercantile or otherwise, which in the judgment of the corporation may at any time be conveniently conducted in conjunction with any of the matters aforesaid.

"(3). To buy, manufacture and saw lumber, rough, dressed, finished and all building material.

"(4). To buy and sell grain, flour and meal.

"(5). To grind and manufacture flour, meal, shop feed, shop stuff, etc.

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"(6). To acquire, own, lease, occupy, use or construct bridges, buildings, machinery, ships, boats, en-

gines, cars and other equipment, railroads, docks, slips, elevators, water works, gas works, electric works, viaducts, aqueducts, canals and other waterways, and any other means of transportation, and to sell the same or otherwise dispose thereof or to maintain and operate the same.

“(7). To appropriate or otherwise to acquire water rights and privileges, and to engage in the business of supplying and constructing water for irrigation and other purposes; and to acquire and to develop water, electrical, or any kind of power for its own purpose, or for sale to others, and to construct the necessary plants, works and appliances for the transmission and delivery thereof.

“(8). To engage in other manufacturing, construction or transportation business, of any kind or character whatsoever, and to that end acquire, hold, own and dispose of any and all property, assets, stocks, bonds and rights of any and every kind.

“(9). To apply for, obtain, register, purchase, have or otherwise acquire, and to hold, use, own, operate and to introduce and to sell, assign or otherwise dispose of, any trade marks, trade names, patents, inventions, improvements and protection used in connection with or secured under letters obtained of the United States or elsewhere, or otherwise to use, exercise, develop, grant licenses in respect to, or otherwise to turn to account any such trade marks, patents, licenses, protections and the like, or any such property or rights.

“(10). To purchase or otherwise acquire and to hold, sell, mortgage, pledge, exchange or otherwise dispose of bonds, mortgages, debentures obligations or

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shares of the capital stock of any corporation, whether domestic or foreign, and to exercise with respect to all such property all the rights, powers and privileges of individual owners thereof; and also to purchase, hold and re-issue the shares of its own capital stock.

“(11). To do general contract work, as contracting to build railroads, turnpikes, dirt roads, wagon roads, building dams, ditches, flumes, etc.

“(12). Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporation shall

have power to issue bonds and other obligations in payment of property purchased or acquired by it, or for any other object in or about its business; to mortgage or pledge any stocks, bonds, or other obligations, by it issued or incurred; to guarantee any dividends or bonds or contracts or obligations; to make and perform contracts of any kind and description; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things and to exercise any and all other powers which a co-partnership or a natural person could do and exercise, and which now or hereafter may be authorized by law.”

The term of existence of this company was the maximum under the law of the state, forty years. This appears like a monster offspring from “a little local measure” offered to promote home industry at Great Falls; but it was a mere pigmy product, a veritable mouse from mountain labors, compared with what followed.

Meanwhile Montana’s legislation under combine auspices had attracted attention of law students and law experts who had earned renown. At the first annual meeting of the American Bar Association subsequent to the Montana legislative session of 1909, Mr. Frederick

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maintained and to sanction it where the combination is open, avowed and most effective. That certainly was not the popular purpose. The movement against ‘trusts’ was against the monopoly of industry or business, however accomplished, and the more thoroughly it was done, the greater was the objection to it. The assurance that the economies resulting from combination would cheapen production and that this would go to the benefit of the consumer was never accepted. Our people have no faith in a benevolent despotism. They know that power tends to abuse. A corporation large enough to engross an industry cannot be trusted to a generous or even a just use of its mastery. An enlightened self-interest may find its real and lasting advantage in moderation, but self-interest does not mean self-enlightenment. Recent disclosures show that greed has not changed its nature and still grows by what it feeds upon. The complete absorption of a rival is not beyond its capacity, and the crumbs of a false balance are not beneath its covetousness.

The accuracy of Mr. Lehman's analysis was proven on March 23, 1910, when a special meeting of the Anaconda Copper Mining company was held at Anaconda, Montana. As reported in the official organs of the company, exactly four people were present, all subordinate employes of the combine organization and mere dummies for the Napoleons of finance and speculative stock-jobbing in Wall Street. One was Mr. Ben. Thayer of New York, assistant to the president of the Amalgamated company during war times and now president of the Anaconda company; another, Mr. John Gillie, superintendent of the company at Butte; Messrs. C. F. Kelly and L. O. Evans, members of the Butte branch of the combine legal department, were the others. These four

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Relief from Taxation for Monopolists

Great progress in the affairs of the world is not always marked by celebrated achievement. The Revolutionary fathers earned enduring fame by waging war successfully to escape taxation without representation in government. Without any war at all the Napoleons of Wall Street in Montana have escaped taxation with representation, and without so much as attracting notice from the great majority of citizens whose burdens have been increased thereby. For capitalization and dividend purposes, and in market values quoted from day to day, the properties in Montana of the copper combine are rated in excess of \$200,000,000. If these were assessed at one-tenth of a fair amount and taxed in that state as other property not owned by tax-dodgers is taxed, the taxes paid within the state by the copper combine interests would be greater than they are under existing conditions. Gentlemen are not fictitiously described as high financiers who can save from \$3,000,000 to \$5,000,000 annually in the one item of taxes on the property held by a corporation organized under specially procured law designed to authorize "a little local company" to engage in the hotel business. The people of Montana have not regarded it as worth the trouble or expense to create the office of state tax commissioner and to employ a competent man or men to "stay on the job". The private corporation, organized under the laws of new Jersey to do business in Montana, has its tax department working throughout the year, with a tax commissioner

employed by the year and selected for the responsible
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receive the revenues, as well as by eminent tax-dodgers interested to prevent a situation which would compel a more thorough and equitable enforcement of tax laws. In 1907 a proposed amendment changing this rate was put through the legislature and was defeated by the people in the following election without much being heard either for or against it from any source. In 1909, Governor Norris made elaborate presentation of the impending crisis involved in an automatic constitutional reduction of state taxes. Influx of new settlers and improvements in agricultural sections had increased taxable property with unexpected rapidity, and it was reasonably certain that the \$300,000,000 limitation would be reached the next year. The legislature in 1909 had again passed a bill for the submission of a constitutional amendment to increase the maximum amount of taxable property which could be taxed for state purposes at two and one-half mills on the dollar. But this amendment could not be voted on till November, 1910, and the legislative tax levy of 1909 was in conflict with the constitutional provision of 1889. Attorney General Albert J. Galen published an opinion "that the constitution was not self-executing", and that the fact that the legislature had fixed a levy for two years at two and one-half mills, while the property valuation was within the \$300,000,000 limit, and would not meet again in regular session before the taxes for 1910 would be collected, served to make the levy of two and one-half mills operative and lawful, despite the specific constitutional mandate that "whenever the taxable property in the state shall amount to three hundred millions dollars the rate shall never exceed one and one-half mills on each dollar of valuation, unless a proposition to increase such rate, specifying the rate proposed, and the time during which the same shall be levied,

the losses of enforced idleness and against the conditions imposed by the advent of the new labor element with its lower standard of living, the shut-down scare was again invoked by the combine management, more ostentatiously than ever before, in an attempt to intimidate the president of the United States and influence the department of justice of the national government.

On December 3, 1908, The Butte News, an afternoon, paper, printed a dispatch from Washington announcing a meeting between the president of the United States and citizens of Deer Lodge county, plaintiffs in what was known as the "Smoke Case", the action to recover damages or secure compensation from the copper combine interests for injuries to crops and livestock and farms from poisonous fumes in the smoke of the Anaconda smelters. It was announced that the president's attention had been directed to damages alleged to have been done to timber in the forest reserve from this smelter smoke, and that he had been urged to authorize the beginning of an action to enjoin the company from continuance of operations of the kind described. The combine's avowed organ, The Butte Intermountain, of the same day, contained no reference to this news, and the Butte and Anaconda papers of Friday morning gave evidence of no alarm and no unusual public interest. But on Friday morning, without stimulus of newspaper advertising or sensation, it suddenly became reported that wholesale disaster was imminent, and the emergency was so great that a local organization of Butte business men could not be called together in time to act, although some of its chief officers were officers or employees of constituent companies of the combine, and the executive committee of this organization forwarded to Washington by wire a protest against action by the government adversely to the copper cor-

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poration. The next day The Anaconda Standard, The Butte Miner and The Butte Intermountain were employed to extend the hysterics with great headlines and with exaggerated imaginary tales of catastrophe to follow if the public was not aroused to remonstrance in sufficient force to give pause to presidential action. Public meetings were held, the atmosphere was charged with oral warnings from combine agents, commercial bodies in

various cities of the state were started in motion and in resolution, city councils adopted memorials and protests, senators and congressmen from Montana in Washington were appealed to, Managing Director Ryan in Washington fathered dispatches which were printed in combine papers and quoted in public meetings called by combine agents to excite public sentiment to dissipate the danger of distress foreshadowed as about to spread over the state. The news was twenty-four hours old in Butte before the combine's organs took it up as worthy of exploitation and editorial comment. The excitement reached zenith within forty-eight hours, and the whole subject had disappeared from the columns of the combine papers in Butte and Anaconda within seventy-two hours after their sudden alarm. The smoke case had been in federal court in Montana for three and a half years, and Judge Hunt had had it "under advisement" for nearly a year. Any action by the government for an injunction would necessarily come through the same court, if not, indeed, the same judge. As a matter of fact these proceedings were instituted months after, and years after were ended, temporarily at least, by the most extraordinary stipulation entered into between the combine management and Attorney General Wickersham, described in another chapter.

The truth of the matter was that the farmers of the Deer Lodge valley, in their obstructed chase for justice,
SHUT-DOWN SCARES IN PRACTICAL USE 261

had been learning from their adversaries. Frequently confronted with the use of public agencies and influences by the private corporation, they had appealed to the agricultural department at Washington, and competent officials had been sent out to investigate the effect of smelter smoke on vegetation and livestock. Some of these officials had been important witnesses before the master in chancery in the prolonged litigation, and reports to the department from competent and unprejudiced government agents stated conditions to be existing which entitled the government as well as the farmers to compensation for damages done. As a rancher in the west years before, President Roosevelt had become acquainted with the stockmen of Montana, including some of those who had claims against the copper combine for damages done. When government agents made reports which substan-

tiated the claims of citizens Mr. Roosevelt knew to be reliable and responsible, and the latter appealed to him for aid in their unequal combat with the combine and the powers of government which it had enlisted in Montana, there was a meeting at the White House. Some of the farmers were there with their attorneys. Mr. John D. Ryan was there with other combine representatives, and the two United States senators from Montana were there, as well as officials from the national department of justice. It was an informal effort, in a somewhat formal way, to arbitrate serious differences. Here was where the tremendous artificial excitement in Montana was wanted and needed. Senator Dixon, as in duty bound, presented telegrams addressed to him from Montana people inspired by combine agents, and, after one reading and Mr. Roosevelt had commented on its character and purpose, further reading of similar protests was dispensed with by mutual consent. It was

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reported from an authority present at the time that, after some presentation of pertinent facts from a variety of sources, President Roosevelt turned to Managing Director Ryan and asked him directly why his company did not settle the damages which it imposed by its operations. Up to this time, as the story was told, all of the parties to the conference, including United States senators, had arisen to their feet when addressing the President of the United States. It was stated that Mr. Ryan, who was seated, nonchalantly crossed one leg over the other, and smilingly replied, "That's a debatable question, Mr. President." It was further declared that there was emphatic pronouncement of the assertion that questions asked there were not debatable, and that teeth internationally famous came together with a snap which closed the conference; as Senator Carter was no less emphatically informed when he essayed his justly renowned role of peacemaker and harmonizer. This may or may not explain why the Montana newspapers and other agencies, which had been so vigorously engaged in working up the shut-down scare, so abruptly dropped the subject.

The manner and method of arousing public fear and creating public panic with this shut-down scare is admirably shown by quotation of a part of the public state-

ment made by the head of the combine's legal department in Montana at that time, Mr. Cornelius F. Kelly, later promoted to become managing director. He attributed, properly enough, to the farmers whom he was dragging to poverty through dilatory and extravagant court proceedings, some part of the responsibility for the proposed government action. The smoke case was still pending before Judge Hunt, and, while declaring that he had refrained from publicly discussing cases in court

THE GRABBING OF WATER

under the laws of other states, took possession of as many available damsites on the Missouri river above Great Falls. Similar enterprises by allied or cooperating interests were employed in western Montana, and to secure developed power on the Madison and Yellowstone rivers in the southern and eastern parts of the state. When the year 1911 was reached, practically all the desirable dam sites and water power privileges on the Missouri river, the Yellowstone, the Madison, and the Clark's Fork of the Columbia in western Montana, were under monopoly control, with accredited ownership of the control centered in a few Napoleons of finance with headquarters in Wall Street. The power at Great Falls had been acquired by John D. Ryan and John G. Morony, and by them transferred. The United Missouri River Power company had absorbed the Missouri River Power company and the Helena Power and Transmission company and had increased their combined capital stock, or replaced it, from a par value of \$4,200,000 to a total of \$10,250,000. This was not known to the public in Montana till February, 1909, when copies of instruments necessary to legalize the deal were filed with the secretary of state. Yet according to the articles of incorporation the United Missouri River Power company was organized on February 15, 1906. These two absorbed companies had been widely advertised and exploited as Montana enterprises, owned by Montana men, and to be operated as public utilities, for the benefit of the people of the state. The articles of incorporation showed that the three incorporators of the new merger all lived in New York. The total amount of stock paid in money was stated to be \$250,000, and the total not paid with money was \$9,999,000; it was declared that the assets consisted of "franchises, water rights, power

electric monopoly within the state—a fact generous in tribute to corporate monopoly's non-partisan political strength as well as to the socialist leader's skill in his chosen occupational profession.

The combine interests are not compelled to rely exclusively upon combine powers or the employment of official influence for the acquisition of these great rights and profits in perpetuity. With their superior facilities for directing public sentiment, the promoters frequently succeed in securing the support of favorable popular expression in the communities to be plundered, and large measure of fervent communal gratitude in return for generous promises. How these results are obtained may be sufficiently well illustrated by the reproduction of a single one from among hundreds of the newspaper articles judiciously placed, all equally well calculated to invite popular approval of combine works. This one is taken from *The Butte Intermountain*, official home journal of foreign corporations, edited under the personal direction of Mr. John D. Ryan in New York, or of his private secretary in Butte. This article was printed while Messrs. Ryan and Morony, through a townsite company, were peddling real estate in Great Falls to the public as a side line of the business of transferring the great water power at that point to monopoly control and transmitting it away from Great Falls, for combine use or sale in other cities:

THE GRABBING OF WATER POWER

“GREAT FALLS HAS A GREAT FUTURE.

“MILLIONS ARE ABOUT To BE SPENT IN DEVELOPING REsouRcEs.

“TO PUT IN A WIRE FACTORY.

“COPPER WIRE To BE SUPPLIED FOR ENTIRE WESTERN COUNTRY.

“I predict that Great Falls in the next five years will

be one of the best and most prosperous cities in the west,' said a man this morning who is a close observer of events and one who has a good general knowledge of business conditions. 'Mr. John D. Ryan and his associates who compose the Great Falls Power and Town-site company,' continued the gentleman in question, 'will spend in the next few years \$5,000,000 in building dams and the construction of a large power plant, together with an electric line into Butte to provide power for the Butte mines. In addition to this Mr. Ryan and his company will build a wire factory at Great Falls and make wire from the Butte copper with which to supply the copper wire market from the Missouri river to the Pacific coast. It is also proposed to build a plate glass, carbide and bi-cement factory to be operated in connection with the power company.~

"The Boston News Bureau of Tuesday last in an article on the electrification of railroads says:

"A contract has been entered into between the Great Falls Water Power Company and the St. Paul Railroad company whereby the former company will for a period of twenty-five years supply the latter with 25,000 horsepower per annum.

"The Great Falls company up to six months ago was controlled by James J. Hf 11 and associates, but at that time John D. Ryan and several colleagues obtained con-
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trol and at present the management is engaged in constructing two large dams. The company is now under contract to supply power to the Boston & Montana smelter at Great Falls and has taken contracts for approximately 50,000 horsepower a year.

"Not until the end of next year will the Great Falls company be in position to generate power for its new customers from the two dams now being built. The capacity will be further increased when three additional dams, now in contemplation, will have been finished.

"The portion of the St. Paul, which will obtain its power supply from the Great Falls company, is that running over the Rocky Mountains, and while no estimate of the amount of copper to be used is available, it will be a very considerable amount. For transmission wire on the new contract just booked the company will use 4,000,000 pounds of copper.

“From Truckee, California, west, the Southern Pacific is making preparations to electrify a single line of its mountain division over the Sierra Nevada range. When in operation it is expected that capacity over the line will be doubled.

‘The railroads of the country,’ says an interest identified with the Great Falls company, ‘will commence their electrification in the not distant future.’

‘The Illinois Central railroad, I was told last week on my way through Chicago, would soon electrify its local and suburban services in that city, and the other roads also centering in Chicago will be obliged to follow suit. All of these actions make for an assured consumption of copper.’

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over for \$10,500,000 and floated at \$15,000,000, and the boomers gave the stock a market value of more than \$40,000,000, without dividends enough for a long enough period to satisfy any kind of investor relying upon actual earnings. It was too easy. By a series of manipulations with a moribund copper company organized in Minnesota, with undeveloped claims in Mexico, new incorporations, high financial juggling, and the investment of something like half a million dollars, Messrs. Cole and Ryan got possession of Col. W. C. Greene’s properties at Cananea, Mexico, organized the Greene-Cananea company with a capitalization of \$50,000,000 and gave to that stock in boom times a market value above par. All of these stocks were unloaded in large quantities in Butte and Montana, as well as the certificates of the myriad of companies incorporated to operate in and about Butte.

Mr. Ryan’s visits to Butte had become infrequent, but the echoes of his voice, real or fabricated, were heard everywhere. He professed disapproval of the wild-cat enterprises being fostered in the big copper camp and gave assurances that men associated with those companies and holding official position in the Amalgamated organization would be compelled to quit either those companies or their connection with Amalgamated. But these assurances were not given publicly, and in the summer and fall of 1906 there was concocted and worked out of Amalgamated offices—with the knowledge and cooperation of Mr. Ryan himself and with the use of the influence of combine organization and the active partici-

pation of Ryan's most intimate friends and business associates,—as barefaced a swindle of the public and as conscienceless a betrayal of friends as can be cited from the whole record of rascal enterprise. The scheme ultimately became widely known as the Barnes-King mining

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subservient to the same corporate combine influences and interests. Without the practically unsecured money of depositors to work with, there would be little incentive and less opportunity for wild-cat banking. Without the concentration of these moneys in New York and their availability for use in rash speculation, most of those exploitations in high finance which have been recognized as infamous would have been impossible.

While the subject of "guaranteed bank deposits" was under general discussion a few years ago, the president of the Montana State Bankers' Association, in an address at the annual convention of that organization, declaimed long and loudly against the proposed innovation. The highest position attained in the banking business of that state by that banker was the office of president of a Butte bank which guaranteed the value of a big block of mining stock to assist in promoting the flotation of the inflated certificates of value issued by the Amalgamated Copper company. Mr. John D. Ryan was president of the Daly Bank and Trust company of Butte when the mining stock was so guaranteed; and his ultimate successor, who opposed guarantees to depositors in banks, was changed from a bank cashier with a modest salary in Great Falls to a reputed millionaire and a globe-trotter within less than five years through operations with stocks. This was not an especially singular or peculiar example of banking methods connected with stockjobbing in Montana, and these men were included among bankers described by the public press as "recognized over the country for their conservative efficiency." These incidents are mentioned merely to show the readiness of the public to esteem men capable of being rash speculators and conservative bankers at the same time, unless trouble and public misfortune results.

use, would be perplexed to show where or when the projectors or managers have invested in copper properties in Montana any money which was not taken out of Montana; or where or when they have invested in other enterprise in that state outside capital which was not borrowed or obtained by them with natural or public resources of Montana as security, for the amount of the actual investment several times over, and with a wholesale swindling of the actual investors by gross over-capitalization or jobbery in watered stocks.

The copper combine management, when it organized, found the copper industry in Montana developed and being operated with mutual prosperity for its owners, its employees, and the business public of the state. It compelled the stockholders to pay more than twice what the property cost to obtain it from the owners, thus practically securing to the management possession and control of the properties without expense to itself. In subsequent operations in Montana and in the stock markets, this management has imposed great loss and

hardship upon wage-earners and business men in Montana and upon its stockholders everywhere. The chief men in this management have not only caused loss to stockholders by depreciation of stock values and by lack of adequate dividends from earnings, but they have swindled these investors through organizations within the organization as well as by use of company influences and resources in outside enterprises whereiti Amalgamated stockholders had neither interest nor share in gain. That is not all this enterprising aggregation of Napoleons of high finance have done for the people of Montana, and for the investing public everywhere that copper mining stocks have found purchasers. By combine methods in furtherance of monopoly enterprise they

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~ciy circulated daily newspapers of the state are published, and in all three there are organizations maintained to co-operate with the papers to promote the growth of the towns. The census returns of 1910 show that the population for the state of Montana increased during the preceding ten years 54.5 per cent. During the same period the population of Cascade, Deer Lodge and Silver Bow counties, together, increased 8.6 per cent. In 1900

those three counties contained more than one-third of the total population of the state. In 1910 there were seven agricultural counties in Montana each one of which had shown greater increase in population, and greater development in material progress, than the three counties dominated by copper combine interests and influences taken together. Deer Lodge county, where combine rule and ruinous methods are most complete, showed an actual loss in population for that census period, after due allowance for loss of part of its territory by a county division.

In Butte and Anaconda, the allied interests have applied combine methods and monopoly plans as rapidly and as completely as possible to mercantile and banking business, and, to some extent, to professional occupation. The result has been retiring merchants, vacant stores, and depreciated values of city realty for both business and residence uses. Great Falls has improved and grown to an appreciable extent because it is in the center of a large section of agricultural and livestock country tributary to it, and has benefitted from the general growth of the whole state in population and improvement.

No one can measure the losses to the people of Montana in material as well as more important things through corrupt combine enterprise in politics and in

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their control of organization and leadership. As early as the year 1909, a newspaper solicitor who travelled throughout the state reported, as in evidence of the great growth of population, composed of reading people, in certain agricultural portions, the fact that news agents had told of multiplied sales of popular magazines and periodicals. Further investigation discovered the fact that this increased demand for publications from outside Montana was for Collier's Weekly and for magazines described as Progressive. The following winter, United States Senator Joseph M. Dixon had joined the insurgent contingent in the United States senate and earned the undying hatred of combine managers with successful championship of legislation to lessen discrimination and insure lower charges in transportation service. At the republican state convention in 1910, Senator Dixon was called upon to address the delegates. In that address he said:

“New occasions teach new duties,
Time makes ancient good uncouth,
We must ever up and onward
If we keep abreast of truth.’

“Notwithstanding its great and unparalleled record of human achievement, there is no use in our disguising the fact that for some months there has been a struggle going on for the control of party leadership and the control and direction of party policies.

“There has been some confusion and some uncertainty as to the real and vital issues involved. But, as Senator Cummins of Iowa said some weeks ago, the contest is not ephemeral.

“While we cannot all agree as to details, the general issue involved is as old as Magna Charta, and as certain as that involved when the republican party was first

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formed, under the oaks at Jackson, Michigan, 54 years ago—and that is the right of the individual citizen for equal opportunity and against the insidious encroachments of special interests. It is the old contest between the progressive liberal and the Bourbon reactionary.

“Theodore Roosevelt epitomized the whole matter when he declared for the ‘square deal’ not only in private life, but in public legislation. Generally speaking it is the old doctrine that public office is a sacred public trust, to be administered conscientiously for the benefit of the whole people, to the best of the representative’s ability, and not for the financial advantage of the powerful combinations that seek for special privilege, for personal, selfish gain and aggrandizement.

“There is a new spirit that is arising in modern politics. The old system of special favors to the favored few is about to become a thing of the past in the political life of this nation.

“Concretely put, it means that no longer shall there be permitted combinations that shall control the national resources of all the people for the enrichment of the few, to the detriment of the many.

“It means that the few shall not monopolize the coal and timber and water power and transportation of this nation without some kind of governmental regulation. It means that the people of Montana are not going

to sit supinely down and allow transportation systems to deliberately swell their capitalization by watering their stocks and bond issues, and then compel you to pay perpetual tribute on ready-made dollars in the shape of freight and passenger charges.

“It means that the people of Montana do not propose to have transportation companies continue to charge us twice the price of transporting our goods that they do

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~.~any delegates to he resented publicly with a campaign pending involving the return of another United States senator which the corporate combine was intent upon retaining in the service. The defeat of that senator in the succeeding election by the votes of republicans for democratic candidates, in all those agricultural counties where public journals independent of combine control had shown increased circulation, was significant of an awakening among the people to some of the dangers of misgovernment. The word had been passed to trusted lieutenants that Mr. Dixon was marked for defeat in 1913 and the year 1911 was spent by political agents of the copper combine in preparing forces for, and in removing obstacles to, that result.

The contest for control of the first Chicago convention in 1912 presented possibilities in complications in Montana which were embarrassing to the political machine operators. The copper combine was as hostile to Mr. Roosevelt as to Mr. Dixon, apart from many reasons for its gratitude to President Taft. Senator Dixon had become manager of the Roosevelt campaign in the country at large, which insured his absence from the state; but Mr. Roosevelt as a candidate had been always popular in Montana, the progressive republicans in the state had commenced organization work, and there was reason to doubt the outcome of a test of strength by popular vote. Attempt was made to insure the republican party machine leaders against danger of retirement

from the organization by ostentatious professions of support for Roosevelt by some of them, at the same time that the machine was set in motion to produce a delegation for Taft. The state central committee was called together, and, under direction of notorious tools of the corporate interests, was manipulated to produce

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The nation will survive—if it has to—another conservative big business, but Montana can ~ must not, stand for any further extension of the influence of the big copper combine. The revelation of its sinister power in the far outlying counties, in the presidential convention campaign this spring, must have been a surprise to many and a warning to all who hope to live free men in this state.”

“Is there not
Some hidden thunder in the stores of heaven,
Red with uncommon wrath, to blast the men
Who owe their greatness to their country’s ruin?”