

Frenzied Finance

Thomas W. Lawson

Table of Contents

<u>Frenzied Finance</u>	1
<u>Thomas W. Lawson</u>	2
<u>TO MY AUDIENCE. SAINTS, SINNERS, AND IN-BETWEENS</u>	5
<u>FOREWORD</u>	6
<u>CHAPTER. I. THE TORTUOUS COURSE OF AMALGAMATED 1</u>	10
<u>PART I</u>	11
<u>CHAPTER I. THE TORTUOUS COURSE OF AMALGAMATED</u>	12
<u>CHAPTER II. THE “SYSTEM’S” METHOD OF FINANCE AND MANAGEMENT</u>	14
<u>CHAPTER III. THE MEN IN POWER BEHIND THE “SYSTEM”</u>	18
<u>CHAPTER IV. MY OWN RESPONSIBILITY</u>	22
<u>CHAPTER V. THE POWER OF DOLLARS</u>	26
<u>CHAPTER VI. CONSTRUCTION OF “STANDARD OIL’S” “DOLLAR-MAKING” MILL</u>	30
<u>CHAPTER VII. JUGGLING WITH MILLIONS OF THE PEOPLE’S MONEY</u>	35
<u>CHAPTER VIII. “STANDARD OIL” INVESTS “MADE DOLLARS” IN GAS</u>	38
<u>CHAPTER IX. A VOTARY OF THE “SYSTEM”</u>	40
<u>CHAPTER X. ADDICKS COMES TO BOSTON</u>	43
<u>CHAPTER XI. HOW ADDICKS CAPTURED BOSTON GAS</u>	45
<u>CHAPTER XII. STOCK-BROKERS NOT ALL BAD</u>	49
<u>CHAPTER XIII. THE “SYSTEM” VERSUS WESTINGHOUSE</u>	56
<u>CHAPTER XIV. THE ALLIANCE WITH ADDICKS</u>	59
<u>CHAPTER XV. THE GREAT BAY STATE GAS FIGHT</u>	64
<u>CHAPTER XVI. PEACE NEGOTIATIONS WITH ROGERS</u>	68
<u>CHAPTER XVII. A MEMORABLE CONFERENCE</u>	70
<u>CHAPTER XVIII. THE DUPLICITY OF ADDICKS</u>	76
<u>CHAPTER XIX. ENTER H. M. WHITNEY</u>	80
<u>CHAPTER XX. AN AWKWARD ATTACK OF APPENDICITIS</u>	84
<u>CHAPTER XXI. BRIBING A LEGISLATURE</u>	87
<u>CHAPTER XXII. PLUNDERED OF THE PLUNDER</u>	94
<u>CHAPTER XXIII. TWO GENTLEMEN OF FRENZIED FINANCE</u>	98
<u>CHAPTER XXIV. BUYING A BUNCH OF STATES</u>	101
<u>CHAPTER XXV. ATHLETICS OF FINANCE</u>	104
<u>CHAPTER XXVI. THE CIRCLING OF THE VULTURES</u>	107
<u>CHAPTER XXVII. COURT CORRUPTION AND COIN</u>	110
<u>CHAPTER XXVIII. PEACE AT LAST</u>	112
<u>PART II</u>	112
<u>CHAPTER I. THE MAGIC WORLD OF FINANCE</u>	113
<u>CHAPTER II. THE “SYSTEM” AND THE LOUISIANA LOTTERY COMPARED</u>	115
<u>CHAPTER III. THE FUNDAMENTALS OF FINANCE</u>	118
<u>CHAPTER IV. THE MAGIC “JIMMY”</u>	120
<u>CHAPTER V. HOW THE “SYSTEM” DOES BUSINESS</u>	122
<u>CHAPTER VI. HOW WALL STREET’S MANIPULATIONS AFFECT THE COUNTRY</u>	125
<u>CHAPTER VII. ECONOMICS OF COPPER</u>	127
<u>CHAPTER VIII. MY PLAN FOR “COPPERS”</u>	130
<u>CHAPTER IX. BIRTH OF “COPPERS”</u>	132
<u>CHAPTER X. ROGERS GRASPS “COPPERS”</u>	136
<u>CHAPTER XI. THE COPPER CAMPAIGN OPENS</u>	140
<u>CHAPTER XII. THE BUNCOING OF THE STOCKHOLDERS OF UTAH</u>	144
<u>CHAPTER XIII. THE TRAP IN FINANCE</u>	146

Table of Contents

Frenzied Finance

<u>CHAPTER XIV. LAWYER UNTERMYER DISCOVERS THE “NIGGER”</u>	150
<u>CHAPTER XV. DEGREES IN CRIME</u>	153
<u>CHAPTER XVI. MR. ROGERS UNMASKS</u>	154
<u>CHAPTER XVII. “EXTRACT EVERY DOLLAR”</u>	157
<u>CHAPTER XVIII. THE BITERS BIT</u>	162
<u>CHAPTER XIX. THE DESPOILING OF LEONARD LEWISOHN</u>	165
<u>CHAPTER XX. THE CHRISTENING OF AMALGAMATED</u>	167
<u>CHAPTER XXI. FIXING THE RESPONSIBILITY</u>	171
<u>CHAPTER XXII. THE RESPONSIBILITY FASTENED</u>	176
<u>CHAPTER XXIII. THE FIRST CRIME OF AMALGAMATED</u>	181
<u>CHAPTER XXIV. THE SUBSCRIPTION OPENS</u>	184
<u>CHAPTER XXV. DOLLAR HYDROPHOBIA</u>	187
<u>CHAPTER XXVI. DEVILTRY AFOOT</u>	191
<u>CHAPTER XXVII. THE BLACK FLAG HOISTED</u>	194
<u>CHAPTER XXVIII. THE BOGUS SUBSCRIPTION</u>	197
<u>CHAPTER XXIX. THE AFTERMATH</u>	202
<u>CHAPTER XXX. THE MORNING AFTER</u>	206
<u>CHAPTER XXXI. I WALK THE PLANK</u>	208
<u>CHAPTER XXXII. PERFECTING THE DOUBLE CROSS</u>	212
<u>CHAPTER XXXIII. A RETROSPECT AND A MORAL</u>	216

Frenzied Finance

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- TO MY AUDIENCE. SAINTS, SINNERS, AND IN-BETWEENS
- FOREWORD.
- PART I
 - CHAPTER I. THE TORTUOUS COURSE OF AMALGAMATED
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 - CHAPTER III. THE MEN IN POWER BEHIND THE "SYSTEM"
 - CHAPTER IV. MY OWN RESPONSIBILITY
 - CHAPTER V. THE POWER OF DOLLARS
 - CHAPTER VI. CONSTRUCTION OF "STANDARD OIL'S" "DOLLAR-MAKING" MILL
 - CHAPTER VII. JUGGLING WITH MILLIONS OF THE PEOPLE'S MONEY
 - CHAPTER VIII. "STANDARD OIL" INVESTS "MADE DOLLARS" IN GAS
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 - CHAPTER X. ADDICKS COMES TO BOSTON
 - CHAPTER XI. HOW ADDICKS CAPTURED BOSTON GAS
 - CHAPTER XII. STOCK-BROKERS NOT ALL BAD
 - CHAPTER XIII. THE "SYSTEM" VERSUS WESTINGHOUSE
 - CHAPTER XIV. THE ALLIANCE WITH ADDICKS
 - CHAPTER XV. THE GREAT BAY STATE GAS FIGHT
 - CHAPTER XVI. PEACE NEGOTIATIONS WITH ROGERS
 - CHAPTER XVII. A MEMORABLE CONFERENCE
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 - CHAPTER XXVI. THE CIRCLING OF THE VULTURES
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 - CHAPTER VI. HOW WALL STREET'S MANIPULATIONS AFFECT THE COUNTRY
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Frenzied Finance

- CHAPTER VIII. MY PLAN FOR “COPPERS”
 - CHAPTER IX. BIRTH OF “COPPERS”
 - CHAPTER X. ROGERS GRASPS “COPPERS”
 - CHAPTER XI. THE COPPER CAMPAIGN OPENS
 - CHAPTER XII. THE BUNCOING OF THE STOCKHOLDERS OF UTAH
 - CHAPTER XIII. THE TRAP IN FINANCE
 - CHAPTER XIV. LAWYER UNTERMYER DISCOVERS THE “NIGGER”
 - CHAPTER XV. DEGREES IN CRIME
 - CHAPTER XVI. MR. ROGERS UNMASKS
 - CHAPTER XVII. “EXTRACT EVERY DOLLAR”
 - CHAPTER XVIII. THE BITERS BIT
 - CHAPTER XIX. THE DESPOILING OF LEONARD LEWISOHN
 - CHAPTER XX. THE CHRISTENING OF AMALGAMATED
 - CHAPTER XXI. FIXING THE RESPONSIBILITY
 - CHAPTER XXII. THE RESPONSIBILITY FASTENED
 - CHAPTER XXIII. THE FIRST CRIME OF AMALGAMATED
 - CHAPTER XXIV. THE SUBSCRIPTION OPENS
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 - CHAPTER XXVI. DEVILTRY AFOOT
 - CHAPTER XXVII. THE BLACK FLAG HOISTED
 - CHAPTER XXVIII. THE BOGUS SUBSCRIPTION
 - CHAPTER XXIX. THE AFTERMATH
 - CHAPTER XXX. THE MORNING AFTER
 - CHAPTER XXXI. I WALK THE PLANK
 - CHAPTER XXXII. PERFECTING THE DOUBLE CROSS
 - CHAPTER XXXIII. A RETROSPECT AND A MORAL
-

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[Illustration: THOMAS W. LAWSON AFTER TWELVE MONTHS OF “FRENZIED FINANCE”]
FRENZIED FINANCE

BY

THOMAS W. LAWSON

OF BOSTON

VOLUME I

THE CRIME OF AMALGAMATED

NEW YORK THE RIDGWAY–THAYER COMPANY 1905

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TROW DIRECTORY PRINTING AND BOOKBINDING COMPANY NEW YORK

TO

PENITENCE AND PUNISHMENT

THIS BOOK IS DEDICATED

TO PENITENCE: that those whose devilry is exposed within its pages may see in a true light the wrongs
they have wrought—and repent.

Frenzied Finance

TO PUNISHMENT: that the unpenalized crimes of which it is the chronicle may appear in such hideousness to the world as forever to disgrace their perpetrators.

TO PENITENCE: that the transgressors, learning the error of their ways, may reform.

TO PUNISHMENT: that the sins of the century crying to heaven for vengeance may on earth be visited with condemnation stern enough to halt greed at the kill.

TO PUNISHMENT: that public indignation may be so aroused against the practices of high finance that it shall come to be as culpable to graft and cozen within the law as it is lawless to-day to counterfeit and steal.

TO PENITENCE: that in the minds of all who read this eventful history there may grow up a knowledge and a conviction that the gaining of vast wealth is not worth the sacrifice of manhood, and that poverty and abstinence with honor are better worth having than millions and luxury at the cost of candor and rectitude.

TO MY AUDIENCE. SAINTS, SINNERS, AND IN-BETWEENS

Before you enter the confines of “Frenzied Finance,” here spread out—for your inspection, at least; enlightenment, perhaps—halt one brief moment. If the men and things to be encountered within are real—did live or live now—you must deal with them one way. If these embodiments are but figments of my mind and pen, you must regard them from a different view—point. Therefore, before turning the page, it behooves you to find for yourself an answer to the grave question:

Is it the truth that is dealt with here? In weighing the evidence remember:

My profession is business. My writing is an incident. “Frenzied Finance” was set down during the twenty-fifth and twenty-sixth hours of busy days. I pass it up as the history of affairs of which I was a part. The men who move within the book's pages are still on the turf. A period of twelve years is covered. So far, eighteen instalments, in all some 400,000 words, have been published. The spigot is still running. I have written from memory, necessarily. While it is true that fiction is expressed in the same forms and phrases as truth, no man ever lived who could shape 400,000 words into the kinds of pictures I have painted and pass them off for aught but what they were. The character of my palette made it mechanically impossible to shade or temper the pigments, for the story was written in instalments, and circumstances were such that often one month's issue was out to the public before the next instalment was on paper. Considering all this, the consistency of the chronicle as it stands is the best evidence of its truth. In submitting it to my readers I desire to reiterate:

It is truth—of the kind that carries its own bell and candle. Within the narrative itself are the reagents required to test and prove its genuineness. Were man endowed with the propensity of a Münchhausen, the cunning of a Machiavelli, the imagination of Scheherezade, the ability of a Shakespeare, and the hellishness of his Satanic Majesty, he could not play upon 400,000 words, or one-quarter that number, and make the play peal truth for a single hour to the audience who will read this book, or to one-thousandth part the audience that has already read it in *Everybody's Magazine*.

Such as the story is, it is before you. If in its perusal you fathom my intentions, my hopes, my desires, I shall have been repaid for the pain its writing has brought me. At least you will find the history of a colossal business affair involving millions of dollars and manned by the financial leaders of the moment. It is a fair representation of financial methods and commercial morals as they exist in America at the beginning of the twentieth century. As a contemporary document the narrative should have value; as history it is not, I believe, without interest. As a message it has had its influence. Indeed, it is not an exaggeration to say that no man in his own generation has seen such a crop come forth from seed of his own sowing since the long bygone days when the wandering king planted dragons' teeth on the Phoenician plain and raised up an army of warriors.

Yours very truly

Thomas W. Lawson

FOREWORD.

There will be set down in this book, in as simple and direct a fashion as I can write it, the story of Amalgamated Copper and of the "System" of which it is the most flagrant example. This "System" is a process or a device for the incubation of wealth from the people's savings in the banks, trust, and insurance companies, and the public funds. Through its workings during the last twenty years there has grown up in this country a set of colossal corporations in which unmeasured success and continued immunity from punishment have bred an insolent disregard of law, of common morality, and of public and private right, together with a grim determination to hold on to, at all hazards, the great possessions they have gulped or captured. It is the same "System" which has taken from the millions of our people billions of dollars, and given them over to a score or two of men with power to use and enjoy them as absolutely as though these billions had been earned dollar by dollar by the labor of their bodies and minds. Yet in telling the story of Amalgamated, the most brazen and voracious maw of this "System," I desire it understood that I take no issue with men; it is with a principle I am concerned. With the men I have had close and intimate intercourse, and from my knowledge of the means they have used, and the manner in which they have used them, and the causes and effects of their performances, I have no hesitation in stating that the good they have done, the evils they have created, and the indelible imprints they have made on mankind are the products of a condition and not of their individualities, and that if not one of them had ever been born the same good and evil would to-day exist. Others would have done what they did, and would have to answer for what has been done, as they must. So I say the men are merely individuals; the "System" is the thing at fault, and it is the "System" that must be rectified. Better far for me not to tell the story I am going to tell; better far for the victims of Amalgamated not to know who plundered them and how, than to have them know it only to wreak vengeance on individuals and overlook the "System," which, if allowed to continue, surely will in time, a short time, destroy the nation by precipitating fratricidal war.

The enormous losses, millions upon millions—to my personal knowledge over a hundred millions of dollars—which were made because of Amalgamated; the large number of suicides—to my personal knowledge over thirty—which were directly caused by Amalgamated; the large number of previously reputable citizens who were made prison convicts—to my personal knowledge over twenty—directly because of Amalgamated, were caused by acts of this "System" of which Henry H. Rogers and his immediate associates were the direct administrators; and yet Mr. Rogers and his immediate associates, while these great wrongs were occurring, led social lives which, measured by the most rigid yardstick of mental or moral rectitude, were as near perfect as it is possible for human lives to be. As husbands, fathers, brothers, sons, friends, they were ideal, cleanly of body and of mind, with heads filled with sentiment and hearts filled with sympathies; their personal lives were like their homes and their gardens—revealing only the brightest things of this world, the singing, humming, sweet-smelling things which so strongly speak to us of the other world we are yet to know. As workers in the world's vineyards, they labored six days and rested upon the Sabbath, and gave thanks to Him from whom all blessings flow that He allowed them, His humble creatures, to have their earthly being. And yet these men, to whose eyes I have seen come the tears for others' sufferings, and whose voices I have heard grow husky in recounting the woes of their less fortunate brothers—these men under the spell of the brutal code of modern dollar-making are converted into beasts of prey, and put to shame the denizens of the deep which devour their kind that they may live.

In the harness of the "System" these men knew no Sabbath, no Him; they had no time to offer thanks, no care for earthly or celestial being; from their eyes no human power could squeeze a tear, no suffering wring a pang from their hearts. They were immune to every feeling known to God or man. They knew only dollars. Their relatives of a moment since, their friends of yesterday and long, long ago, they regarded only as lumps of matter with which to feed the whirring, grinding, gnashing mill which poured forth into their bins—dollars.

Frenzied Finance

In telling the story of Amalgamated I hope to have profited by my long and intimate study of this cruel, tigerishly cruel "System," so as to be able to deaden myself to all those human sympathies which I have heard its votaries so many times subordinate to "It's business." I shall try only to keep before me how the Indians of the forest, as our forefathers drove them farther and farther into the unknown West, got bitter consolation out of the oft-chanted precept of their white brethren of civilization, "An eye for an eye, a tooth for a tooth," reminding myself that whatever of misery or unhappiness my story may bring to the few, it will be as nothing to that which they have brought to the many.

In asking for the serious, earnest consideration of the public, I shall be honest in giving to it my qualifications, my motives, and my desires for writing this narrative. For thirty-four years I have been actively connected with matters financial. As banker, broker, and corporation man, I have, from the vantage-point of one who actually handled the things he studied, studied the causes which created the conditions which made possible the "System" which produced the Amalgamated affair. In my thirty-four years of business experience I have seen the great fortunes, which are the motive power of the "System" referred to, come out of the far West as specks upon the financial horizon and grow and grow as they travelled Eastward, until in their length, breadth, and thickness they obscured the rising sun. At short range I have seen the giant money machine put together; I have touched elbows with the men who made it, as they fitted this wheel and adjusted that gear, while at the same time I broke bread and slept with the every-day people who, with the industry of the ant and the patience of the spider, toiled to pile in the pennies, the nickels, and the dimes which have kept the "System's" hopper full.

At my first meeting with the creators of Amalgamated it was clearly and distinctly understood that under no circumstances would I enlist in that "System's" interests other than for such special services as, after due thought and investigation, I should decide to be such as I could in fairness to myself and my clients work for; and when I give the details of this first meeting in my narrative it will be evident to its readers that in telling the story of Amalgamated I am violating no confidence, nor in any way encroaching upon the niceties of that business code which is, and should be, the foundation of all legitimate financial dealings, nor in any way misusing knowledge which, if acquired under other circumstances, might be sacred.

Amalgamated was one service the "System" asked of me. It was created because of my work. It was largely because of my efforts that its foundation was successfully laid. It was very largely because of what I stood for and because of the public's confidence in the fulfilment of the promises I made that the public invested its savings to an extent of over \$200,000,000; and it was almost wholly because of the broken promises and trickery of the creators of the "System" that the public lost the enormous sums it did.

My motives for writing the story of Amalgamated are manifold: I have unwittingly been made the instrument by which thousands upon thousands of investors in America and Europe have been plundered. I wish them to know my position as to the past that they may acquit me of intentional wrong-doing; as to the present that they may know that I am using all my powers to right the wrongs that have been committed, and as to the future that they may see how I propose to compel restitution.

My desire in writing the story of Amalgamated, while tinged perhaps with hatred for and revenge against the "System" as a whole and some of its votaries, is more truly pervaded with a strong conviction that the most effective way to educate the public to realize the evils of which such affairs as the Amalgamated are the direct result, is to expose before it the brutal facts as to the conception, birth, and nursery-breeding of this the foremost of all the unsavory offspring of the "System." Thus it may learn that it is within its power to destroy the brood already in existence and render impossible similar creations.

In the course of my task I shall describe such parts of the general financial structure as will place my readers, especially those unfamiliar with its more complicated conditions, in a mental state to comprehend the methods by which the savings they think are safely guarded in the banks, trust and insurance companies, are so manipulated by the votaries of frenzied finance as to be in constant jeopardy. I shall show them that while the press, the books, the stump, and our halls of statesmanship are full to overflowing with the whys, wherefores, and what-nots of "tariff," "currency," "silver," "gold," and "labor"; while our market systems are perfected educational machines for disseminating accurate statistics about the necessities and luxuries of life, the water and land carriers, real estate, and other material things which the people have been taught to believe are the only things that vitally affect their savings; that while they imagine they understand the system by

Frenzied Finance

which speculation and investments are controlled and worked, and that the causes and effects of this system are at all times get-at-able by them through their bankers and their brokers; there is a tangible, complicated, yet simple trick of financial legerdemain, operated twenty-four hours in each day in the year, and which the press, the books, the politicians, and the statesmen never touch upon—a trick by means of which the savings of the people and the public funds of the Government, whether in the national banks, savings-banks, trust or insurance companies, are always at the absolute service and mercy of the votaries of frenzied finance.

Therefore, in the course of my story of Amalgamated will come a few kindergarten pictures of how the necessities and luxuries of the people are “incorporated”; of how the evidences of corporation ownership are manufactured; of the individuals who “manufacture” them; of the individuals who control and make or unmake their values; of the meeting-place of these individuals, within and without the stock-exchanges; of some of the corporations and of some of the signs and tokens of corporation ownership; of some of their histories; of some of their doings, and of some of their contemplated doings. These kindergarten pictures I will endeavor to paint, not in that “over-the-head” verbosity or “under-the-feet” profundity and intricacy of the political economy pedant, which are as the canvases of the Whistler school to the masses; but rather will I use the brush of the artisan who in giving us our white fences, our gray cottages, and our green blinds sets off those things which make up the pictures the people really understand and dearly prize.

In the last few years the public has heard many stories of this Juggernaut “System,” which has grown to be the greatest private power in our land—greater almost than the power which governs the nation, because it is not only great within itself but by its peculiar workings is really a part of the power which governs the people. Particularly has it been told the story of Standard Oil by Mr. Henry D. Lloyd in his able work, “Wealth Against Commonwealth,” and by Miss Ida M. Tarbell in her recent historical sketches; but however thorough these writers may have been in gathering the facts, statistics, and evidences, however relentless their pens and vivid their pictures, they dealt but with things that are dead; things that to the present generation are but skeletons whose dry and whitened bones cannot possibly bring to the hearts, minds, and souls of the men and women of to-day that all-consuming passion for revenge, that burning desire for justice, without which no movement to benefit the people can be made successful.

In telling my story I shall, for I must, tell it fairly, and to make sure of this I pledge myself to keep to the exact facts as they occurred, not allowing myself to be overawed by their greatness into contracting them, nor to be tempted by their littleness into expanding them. In doing this I know, because of the peculiarity of the subject and my intimate relation to it, no other way than to do it in the first person. As I have already stated, I would prefer to deal with my subject through the principles involved rather than with the men concerned; but as I shall be compelled to call spades spades, I must, of necessity, use the names of men and of institutions fearlessly and without favor.

In the beginning it will be necessary, for that clear understanding of the whole subject which is one of my principal objects, to treat at sufficient length the Bay State Gas intricacies and trickeries, in which in a certain sense Amalgamated had its being. This will compel me to devote a chapter to one of the most picturesquely notorious characters of the age, John Edward O'Sullivan Addicks, of Delaware, Everywhere, and Nowhere.

The main part of my narrative must of necessity deal with the two real heads of Standard Oil and Amalgamated, Mr. Henry H. Rogers and Mr. William Rockefeller; and with the biggest financial institution of America, if not of the world, the National City Bank of New York, and its head and dominating spirit, Mr. James Stillman.

An important chapter should be that devoted to the conception and formation of the United Metals Selling Company, which was specially organized to control the copper industry of the world without coming within the restrictions of the laws for the prevention or regulation of monopolies.

I shall also deal at length with a notorious character, who, like the spot upon the sun, looms up in all American copper affairs whenever they appear in the full vision of the public eye—Mr. F. Augustus Heinze, of Montana.

There will be a chapter of more or less length devoted to one of the most important episodes in Amalgamated affairs, wherein I shall describe one of Wall Street's most picturesque, able, and intensely interesting men, Mr. James R. Keene.

I shall touch on a bit of the nation's history in which within a few days of the national election of 1896 a

Frenzied Finance

hurry-up call for additional funds to the extent of \$5,000,000 was so promptly met as to overturn the people in five States and thereby preserve the destinies of the Republican party, of which I am and have always been a member.

I shall draw a picture of two dress-suit cases of money being slipped across the table at the foot of a judge's bench in the court-room, from its custodian to its new owners, upon the rendering of a court decision; and I shall show how the new owners frustrated a plot having for its object their waylaying and the recovery of the bags of money.

I shall devote some space to pointing out the evils and dangers of the latter-day methods of corrupting law-makers, and show how one entire Massachusetts Legislature, with the exception of a few members, was dealt with as openly as the fishmongers procure their stock-in-trade upon the wharves; how upon the last day of the Legislature, because their deferred cash payments were not promptly forthcoming, its members turned, and made necessary the hurried departure for foreign shores of a great lawyer and his secretary, with bags of quickly gathered gold, and all evidences of the crimes committed and attempted; how after the ship arrived at an island in foreign seas the great lawyer's dead body received hurried burial, and his secretary's was later dropped, with weights about its feet, to the ocean's depths; and how ever since the natives whisper among themselves their gruesome suspicions.

I shall devote a chapter to the doings of certain financial reputation sandbaggers and blackmailers; show how through their agencies they hold up corporations and their managers for large sums, which upon being paid start into motion a perfected system for the false moulding of public opinion for the purpose of making more easy the plundering of the people. I shall photograph the men and draw accurate diagrams of the machinery through which their nefarious trade is carried on.

My story will carry me down Wall Street, into the Stock Exchange, through its hundred and one or million and one open and hidden passages, and into State Street, that ever-hung hammock of financial somnolence, and into the courts of justice of New York, New Jersey, Pennsylvania, Delaware, Massachusetts, and Montana, and into many other interesting abodes of justice and injustice, of trickery, fraud, and simple, honest trustfulness.

When my story is ended and the great American people, whose simple but proud boast is that they cannot be fooled in the same place by the same methods and the same instruments twice, know as much as I now know of Amalgamated and its relation to the "System" which has for years as boldly, as coarsely, and as cruelly robbed them as the coolie slaves are robbed by their masters—it will be for them to decide whether my story has been, because of the facts which entered into it, so well told that they will not be satisfied with the restitution of the vast sums which the Amalgamated took from them, which United States Steel took from them, and which other financial enterprises took in lesser amounts but by equally flagrant methods; but will demand the overthrow of the "System" itself. It will be for them to decide; and if their decision should be for a conclusive revolt, I shall be amply repaid for the pains and the miseries which must necessarily follow in the wake of a task such as the one I undertook when I decided to tell the story of Amalgamated.

CONTENTS

	PAGE
FOREWORD	vii
PART I	

CHAPTER. I. THE TORTUOUS COURSE OF AMALGAMATED 1

- II. THE "SYSTEM'S" METHOD OF FINANCE AND MANAGEMENT 5
- III. THE MEN IN POWER BEHIND THE "SYSTEM" 13
- IV. MY OWN RESPONSIBILITY 23
- V. THE POWER OF DOLLARS 33
- VI. CONSTRUCTION OF "STANDARD OIL'S" "DOLLAR-MAKING" MILL 41
- VII. JUGGLING WITH MILLIONS OF THE PEOPLE'S MONEY 52
- VIII. "STANDARD OIL" INVESTS "MADE DOLLARS" IN GAS 56
- IX. A VOTARY OF THE "SYSTEM" 60
- X. ADDICKS COMES TO BOSTON 67
- XI. HOW ADDICKS CAPTURED BOSTON GAS 71
- XII. STOCK-BROKERS NOT ALL BAD 79
- XIII. THE "SYSTEM" VERSUS WESTINGHOUSE 88
- XIV. THE ALLIANCE WITH ADDICKS 93
- XV. THE GREAT BAY STATE GAS FIGHT 103
- XVI. PEACE NEGOTIATIONS WITH ROGERS 110
- XVII. A MEMORABLE CONFERENCE 113
- XVIII. THE DUPLICITY OF ADDICKS 125
- XIX. ENTER H. M. WHITNEY 133
- XX. AN AWKWARD ATTACK OF APPENDICITIS 142
- XXI. BRIBING A LEGISLATURE 149
- XXII. PLUNDERED OF THE PLUNDER 162
- XXIII. TWO GENTLEMEN OF FRENZIED FINANCE 170
- XXIV. BUYING A BUNCH OF STATES 176
- XXV. ATHLETICS OF FINANCE 182
- XXVI. THE CIRCLING OF THE VULTURES 187
- XXVII. COURT CORRUPTION AND COIN 191
- XXVIII. PEACE AT LAST 195

PART II

- I. THE MAGIC WORLD OF FINANCE 197
- II. THE "SYSTEM" AND THE LOUISIANA LOTTERY COMPARED 202
- III. THE FUNDAMENTALS OF FINANCE 208
- IV. THE MAGIC "JIMMY" 213
- V. HOW THE "SYSTEM" DOES BUSINESS 217
- VI. HOW WALL STREET'S MANIPULATIONS AFFECT THE COUNTRY 223
- VII. ECONOMICS OF COPPER 226
- VIII. MY PLAN FOR "COPPERS" 233
- IX. BIRTH OF "COPPERS" 237
- X. ROGERS GRASPS "COPPERS" 245
- XI. THE COPPER CAMPAIGN OPENS 253
- XII. THE BUNCOING OF THE STOCKHOLDERS OF UTAH 261
- XIII. THE TRAP IN FINANCE 266
- XIV. LAWYER UNTERMYER DISCOVERS THE "NIGGER" 274
- XV. DEGREES IN CRIME 281
- XVI. MR. ROGERS UNMASKS 283
- XVII. "EXTRACT EVERY DOLLAR" 289
- XVIII. THE BITERS BIT 301
- XIX. THE DESPOILING OF LEONARD LEWISOHN 307

Frenzied Finance

- XX. THE CHRISTENING OF AMALGAMATED 311
- XXI. FIXING THE RESPONSIBILITY 320
- XXII. THE RESPONSIBILITY FASTENED 332
- XXIII. THE FIRST CRIME OF AMALGAMATED 340
- XXIV. THE SUBSCRIPTION OPENS 346
- XXV. DOLLAR HYDROPHOBIA 351
- XXVI. DEVILTRY AFOOT 359
- XXVII. THE BLACK FLAG HOISTED 364
- XXVIII. THE BOGUS SUBSCRIPTION 370
- XXIX. THE AFTERMATH 376
- XXX. THE MORNING AFTER 385
- XXXI. I WALK THE PLANK 389
- XXXII. PERFECTING THE DOUBLE CROSS 397
- XXXIII. A RETROSPECT AND A MORAL 405
- LAWSON AND HIS CRITICS
 - I. THE INSURANCE CONTROVERSY 413
 - II. THE ENEMIES I HAVE MADE 487
 - III. EXPLANATIONS 539

FRENZIED FINANCE
THE STORY OF AMALGAMATED

PART I

CHAPTER I. THE TORTUOUS COURSE OF AMALGAMATED

Amalgamated Copper was begotten in 1898, born in 1899, and in the first five years of its existence plundered the public to the extent of over one hundred millions of dollars.

It was a creature of that incubator of trust and corporation frauds, the State of New Jersey, and was organized ostensibly to mine, manufacture, buy, sell, and deal in copper, one of the staples, the necessities, of civilization.

It is a corporation with \$155,000,000 capital, 1,550,000 shares of the par value of \$100 each.

Its entire stock was sold to the public at an average of \$115 per share (\$100 to \$130), and in 1903 the price had declined to \$33 per share.

From its inception it was known as a "Standard Oil" creature, because its birthplace was the National City Bank of New York (the "Standard Oil" bank), and its parents the leading "Standard Oil" lights, Henry H. Rogers, William Rockefeller, and James Stillman.

It has from its birth to present writing been responsible for more hell than any other trust or financial thing since the world began. Because of it the people have sustained incalculable losses and have suffered untold miseries.

But for the existence of the National City Bank of New York, the tremendous losses and necessarily corresponding profits could not have been made.

I laid out the plans upon which Amalgamated was constructed, and, had they been followed, there would have been reared a great financial edifice, immensely profitable, permanently prosperous, one of the world's big institutions.

The conditions of which Amalgamated was the consequence had their birth in Bay State Gas. To explain them I must go back a few years.

In 1894 J. Edward Addicks, of Delaware, Everywhere, and Nowhere, the Boston Gas King, invaded the gas preserves of the "Standard Oil" in Brooklyn, N. Y., and the "Standard Oil," to compel him to withdraw, moved on his pre-empted gas domains in Boston, Mass.

Late in 1894 a fierce battle was raging in Boston between Gas King Addicks and Gas King Rogers; the very air was filled with denunciation and defiance—bribery and municipal corruption; and King Addicks was defeated all along the line and in full retreat, with his ammunition down to the last few rounds.

Early in 1895 I took command of the Addicks forces against "Standard Oil."

By the middle of 1895 the Addicks troopers had the "Standard Oil" invaders "on the run."

In August, 1895, Henry H. Rogers and myself came together for the first time, at his house in New York, and we practically settled the Boston gas war.

Early in 1896 we actually settled the gas war, and "Standard Oil" transferred all its Boston gas properties (\$6,000,000) to the Addicks crowd.

In October, 1896, the whole Bay State Gas outfit passed from the control of Addicks and his cohorts into the hands of a receiver, and as a result of this receivership, with its accumulated complications, "Standard Oil," in November, 1896, regained all its old Boston companies, and in addition all the Addicks companies, with the exception of the Bay State Gas Company of Delaware.

In 1896 I perfected and formulated the plans for "Coppers," a broad and comprehensive project, having for its basis the buying and consolidating of all the best-producing copper properties in Europe and America, and the educating of the world up to their great merits as safe and profitable investments.

In 1897 I laid these plans before "Standard Oil."

In 1898 "Standard Oil" was so far educated up to my plans on "Coppers" as to accept them.

In 1899 Amalgamated, intended to be the second or third section of "Coppers," was suddenly shifted by "Standard Oil" into the first section, and with a full head of steam ran out of the "City Bank" station, carrying the largest and best train-load of passengers ever sent to destruction on any financial trunk-line.

In 1899, after the allotment of the Amalgamated public subscription, the public for the first time, in a dazed and benumbed way, realized it had been "taken in" on this subscription, and a shiver went down

Frenzied Finance

America's financial spinal column.

In 1900, after the price of Amalgamated had slumped to 75 instead of advancing to 150, to 200, as had been promised, the "Standard Oil"-Amalgamated-City Bank fraternity called Wall Street's king of manipulators, James R. Keene, to the rescue, and under his adroit handling of the stock in the market Amalgamated was sent soaring over its flotation price of 100.

In 1901 Boston & Montana and Butte & Boston, after long delay, drew out of the "Standard Oil" station as the second section of Amalgamated, carrying an immense load of investors and speculators to what was at that time confidently believed would be Dollar Utopia; and the price of the enlarged Amalgamated fairly flew to 130. These were the stocks which I had originally advertised would be part of the first section of the consolidated "Coppers," and which, after Amalgamated had been run in ahead of them, I advertised would follow in due course.

In the latter part of 1901 President McKinley was assassinated, and the great panic which might have ensued was averted by the marvellous power of J. Pierpont Morgan.

Then the Amalgamated dividend, without warning and in open defiance of the absolute pledges of its creators, was cut, and the public, including even James R. Keene, found itself on that wild toboggan whirl which landed it battered and sore, at the foot of a financial precipice.

This, briefly, is the tortuous course of Amalgamated, and it is along this twisting, winding, up-alley-and-down-lane way I must ask my readers to travel if they would know the story as it is.

CHAPTER II. THE “SYSTEM'S” METHOD OF FINANCE AND MANAGEMENT

At the lower end of the greatest thoroughfare in the greatest city of the New World is a huge structure of plain gray–stone. Solid as a prison, towering as a steeple, its cold and forbidding façade seems to rebuke the heedless levity of the passing crowd, and frown on the frivolity of the stray sunbeams which in the late afternoon play around its impassive cornices. Men point to its stern portals, glance quickly up at the rows of unwinking windows, nudge each other, and hurry onward, as the Spaniards used to do when going by the offices of the Inquisition. The building is No. 26 Broadway.

26 Broadway, New York City, is the home of the Standard Oil. Its countless miles of railroads may zigzag in and out of every State and city in America, and its never–ending twistings of snaky pipe–lines burrow into all parts of the North American continent which are lubricated by nature; its mines may be in the West, its manufactories in the East, its colleges in the South, and its churches in the North; its head–quarters may be in the centre of the universe and its branches on every shore washed by the ocean; its untold millions may levy tribute wherever the voice of man is heard, but its home is the tall stone building in old New York, which under the name “26 Broadway” has become almost as well known wherever dollars are juggled as is “Standard Oil.”

Wall Street and the financial world know that there are two “Standard Oils,” but to the public there is no clear distinction between Standard Oil, the corporation which deals in oil and things which pertain to the manufacture and transportation of oil, and “Standard Oil,” the giant, indefinite system which sometimes embraces all the “Standard Oil” group of individuals and corporations, and sometimes only certain of the individuals.

This giant creature, “Standard Oil,” can best be described so that the average man may understand it as a group of money–owners—some individuals and some corporations—who have a right to use the name “Standard Oil” in any business undertakings they engage in. The right to use the name is of priceless value, for it carries with it “assured success.”

Standard Oil, the seller of oil to the people, transacts its business as does any other corporation. It plays no part in my story and I shall not hereafter touch upon its affairs, but confine my meaning, wherever I use the name “Standard Oil,” to the larger and many times more important “System.”

There are only three men who can lend the name “Standard Oil,” even in the most remote way to any project, for there is no more heinous crime against the “Standard Oil” decalogue than using the name “Standard Oil” unauthorizedly. The three men are Henry H. Rogers, William Rockefeller, and John D. Rockefeller. Sometimes John D. Rockefeller uses the name alone in projects in which Henry H. Rogers and William Rockefeller have no interests. Henry H. Rogers or William Rockefeller seldom, if ever, uses the name in projects with which neither of the other two is associated. Sometimes, but not often, John D. and William Rockefeller use the name in connection with projects of their own in which Henry H. Rogers has no interest. Henry H. Rogers and John D. Rockefeller, I believe, never are associated in projects in which William Rockefeller has no interest. Henry H. Rogers and William Rockefeller frequently bring to bear the influence of the magic–working syllables in connection with joint affairs in which John D. Rockefeller has no interest—in fact, during the past ten years the name “Standard Oil” has been used more in their combined undertakings than in all others put together.

There are eight distinct groups of individuals and corporations which go to make up the big “Standard Oil”:

1st. The Standard Oil, seller of oil to the people, which is made up of many sub–corporations either by actual ownership or by ownership of their stock or bonds. Probably no person other than Henry H. Rogers, William Rockefeller, and John D. Rockefeller knows exactly what the assets of the Standard Oil corporation are, although John D. Rockefeller, Jr., son of John D. Rockefeller, and William G. Rockefeller, that able and excellent business man, son of William Rockefeller and the probable future head of “Standard Oil,” are being rapidly educated in this great secret. In this first institution all “Standard Oil” individuals and estates are direct

Frenzied Finance

owners.

2d. Henry H. Rogers, William Rockefeller, and John D. Rockefeller, active heads, and included with them their sons.

3d. A large group of active captains and first lieutenants, men who conduct the affairs of the different corporations or sections of corporations in which some or all of the “Standard Oil” are interested. Many of these are the sons or the second generation of men who held like positions in Standard Oil’s earlier days. Of these Daniel O’Day and Charles Pratt are fair examples.

4th. A large group of captains retired from active service in the Standard Oil army, who participate only in a general way in the management of its affairs, and whose principal business is looking after their own investments. These men are each worth from \$5,000,000 or \$10,000,000 to \$50,000,000 or \$75,000,000. The Paynes and the Flaglers are fair illustrations of this group.

5th. The estates of deceased members of this wonderful “Standard Oil” family, which are still largely controlled by some or all of the prominent “Standard Oil” men.

6th. “Standard Oil” banks and banking institutions, and the system of national banks, trust companies, and insurance companies, of which “Standard Oil” has, by ownership and otherwise, practically absolute control. The head of this group is James Stillman, and it is when these institutions are called into play in connection with “Standard Oil” business that he is one of the “Standard Oil” leaders, second to neither of the Rockefellers nor to Mr. Rogers.

7th. The “Standard Oil” army of followers, capitalists, and workers in all parts of the world, men who require nothing more than the order, “Go ahead,” “Pull off,” “Buy,” “Sell,” or “Stand Pat,” to render as absolute obedience and enthusiastic cooperation as though they knew, to the smallest detail, the purposes which lay behind the giving of the order.

8th. The countless hordes of politicians, statesmen, law-makers and enforcers, who, at home or as representatives of the nation abroad, go to make up our political structure, and judges and lawyers.

To the world at large, which looks on and sees this giant institution move through the ranks of business without noise or dissension and with the ease and smoothness of a creature one-millionth its size, it would seem that there must be some wonderful and complicated code of rules to guide and control the thousands of lieutenants and privates who conduct its affairs. This is partially true, partially false. “Standard Oil’s” governing rules are as rigid as the laws of the Medes and Persians, yet so simple as to be easily understood by any one.

First, there is a fundamental law, from which no one—neither the great nor the small—is exempt. In substance it is: “Every ‘Standard Oil’ man must wear the ‘Standard Oil’ collar.”

This collar is riveted on to each one as he is taken into “the band,” and can only be removed with the head of the wearer.

Here is the code. The penalty for infringing the following rules is instant “removal.”

1. Keep your mouth closed, as silence is gold, and gold is what we exist for.
2. Collect our debts to-day. Pay the other fellow’s debts to-morrow. To-day is always here, to-morrow may never come.
3. Conduct all our business so that the buyer and the seller must come to us. Keep the seller waiting; the longer he waits the less he’ll take. Hurry the buyer, as his money brings us interest.
4. Make all profitable bargains in the name of “Standard Oil,” chancy ones in the names of dummies. “Standard Oil” never goes back on a bargain.
5. Never put “Standard Oil” trades in writing, as your memory and the other fellow’s forgetfulness will always be re-enforced with our organization. Never forget our Legal Department is paid by the year, and our land is full of courts and judges.

Frenzied Finance

6. As competition is the life of trade—our trade, and monopoly the death of trade—our competitor's trade, employ both judiciously.

7. Never enter into a “butting” contest with the Government. Our Government is by the people and for the people, and we are the people, and those people who are not us can be hired by us.

8. Always do “right.” Right makes might, might makes dollars, dollars make right, and we have the dollars.

All business of the gigantic “Standard Oil” system is dealt with through two great departments. Mr. Rogers is head of the executive, and William Rockefeller the head of the financial department. All new schemes, whether suggested by outsiders or initiated within the institution, go to Mr. Rogers. Regardless of their nature or character, he first takes them under advisement. If a scheme prove good enough to run the gantlet of Mr. Rogers' tremendously high standard, the promoter, after he has set forth his plans and estimates, hears with astonishment these words:

“Wait while I go upstairs. I'll say Yes or No upon my return.”

And upon his return it is almost always “Yes.” If the project, however, does not come up to his exacting requirements, it is turned down without further ado or consultation with any of his associates.

Those intimate with affairs at 26 Broadway have grown curiously familiar with this expression, “I am going upstairs.” “Upstairs” means two distinct and separate things. When a matter in Mr. Rogers' department is awaiting his return from “upstairs,” it means he has gone to place the scheme before William Rockefeller, on the thirteenth floor, and laying a thing before William Rockefeller by Mr. Rogers consists of a brief, vigorous statement of Mr. Rogers' own conclusions and a request for his associate's judgment of it. William Rockefeller's strong quality is his ability to estimate quickly the practical value of a given scheme. His approval means he will finance it, and William Rockefeller's “say-so” is as absolute in the financing of things as is Mr. Rogers' in passing upon their feasibility. It does not matter whether it is an undertaking calling for the employment of \$50,000 capital or \$50,000,000 or \$500,000,000, Mr. Rockefeller's “Yes” or “No” is all there is to it. He having passed on it, Mr. Rogers supervises its execution.

The other “upstairs” is one that is heard every week—day of the year except summer Saturdays. At 26 Broadway, just before eleven o'clock each morning, there is a flutter in the offices of all the leading heads of departments from Henry H. Rogers down, for going “upstairs” to the eleven o'clock meeting is in the mind of each “Standard Oil” man the one all-important event of every working day.

In the big room, on the fifteenth floor, at 26 Broadway, there gather each day, between the hour of eleven and twelve o'clock, all the active men whose efforts make “Standard Oil” what “Standard Oil” is; here also come to meet and mingle with the active heads the retired captains when “they are in town.” Around a large table they sit. Reports are presented, views exchanged, policies talked over, republics and empires made and unmade. If the Records in the next world have kept complete minutes of what has happened “upstairs” at 26 Broadway they must have tremendously large fire-proof safes. It is at the meeting “upstairs” that the “melons are cut,” and if one of the retired captains were asked why he was in such a rush to be on hand each day when in town, and if he were in a talkative mood—which he would not be—he would answer: “They may be cutting a new melon, and there's nothing like being on hand when the juice runs out.”

If a new melon has been cut—an Amalgamated Copper, for instance—it is at one of these meetings that the different “Standard Oil” men are informed for the first time that the scheme, about which they may have read or heard much outside, is far enough along for them to participate in it. Each is told what sized slice he may have if he cares for any. It is a very exceptional thing for any one to ask for more than he has been apportioned, and an unheard-of thing for any one to refuse to take his slice, although there is absolutely no compulsion in the connection.

And here, perhaps, may not come amiss an incident which illustrates what may happen in a few minutes “upstairs.”

Before Amalgamated was launched, in bringing together the different properties of which it was composed I negotiated for the acquisition of the Parrott mine, the majority of whose stock was held by certain

Frenzied Finance

old and wealthy brass manufacturers in Connecticut. They had never seen any of the Rockefellers nor Henry H. Rogers, but we were several months getting the deal into shape before it was finally arranged, and they became familiar with the great "Standard Oil" institution. So much so that the chief of the owners—to whom was delegated the duty of turning over the securities to my principals—looked forward with much eagerness to the time when he must necessarily meet the mysterious and important personages who guided 26 Broadway's destinies. Finally the day came, and at precisely a quarter of eleven I let him into one of the numerous private offices which are a part of Mr. Rogers' suite. He had under his arm a bundle of papers representing the stocks which he was to exchange for the purchase money, amounting to \$4,086,000, and I think he fully expected that in their examination, in the receipting for so large an amount of money, and in the general talkings over, which he thought must of course be a necessary part of the delivery, the greater part of the day would be taken up. It took me some six or seven minutes to get him located, and it was close on to five minutes of eleven when Mr. Rogers stepped into the room. I was well into the introduction, when out came Mr. Rogers' watch, and with what must have appeared to the visitor as astonished consternation.

"I do hope you will excuse me," he exclaimed in the middle of a handshake, "but, my gracious, I am overdue upstairs," and he bolted.

His place was taken fifty seconds after by Mr. Rogers' secretary, who in less than five minutes had exchanged a check of \$4,086,000, made out to herself and indorsed in blank, for the bundle of stocks, and in another minute I was ushering the old gentleman into the elevator.

When he came to on the sidewalk he got his breath sufficiently to say: "Phew! I thought my trade was a big one, but that friend of yours, Rogers, must have had some other fellow upstairs who was going to turn in \$40,000,000 of stuff, because he did appear dreadfully excited!"

The success of "Standard Oil" is largely due to two things—to the loyalty of its members to each other and to "Standard Oil," and to the punishment of its enemies. Each member before initiation knows its religion to be reward for friends and extermination for foes. Once within the magic circle, a man realizes he is getting all that any one else on earth can afford to pay him for like services, and still more thrown in for full measure. Moreover, while a "Standard Oil" man's reward is always ample and satisfactory, he is constantly reminded in a thousand and one ways that punishment for disloyalty is sure and terrible, and that in no corner of the earth can he escape it, nor can any power on earth protect him from it.

"Standard Oil" is never loud in its rewards nor its punishments. It does not care for the public's praise nor for its condemnation, but endeavors to avoid both by keeping its "business" to itself. As an instance, in connection with certain gas settlements I made with "Standard Oil," it voluntarily paid one of its agents for a few days' work \$250,000. He had expected at the outside \$25,000. When I published the fact, as I had a right to, "Standard Oil" was mad as hornets—as upset, indeed, as though it had been detected in cheating the man out of two-thirds of his just due, instead of having paid him ten times what was coming to him.

CHAPTER III. THE MEN IN POWER BEHIND THE “SYSTEM”

In the great Thing known to the world as “Standard Oil,” the most perfect embodiment of a “system” which I will endeavor to get before my readers in later chapters, there are three heads, Henry H. Rogers, William Rockefeller, and John D. Rockefeller. All the other members are distinctively lieutenants, or subordinate workers, unless possibly I except James Stillman, who, from his peculiar connection with “Standard Oil” and his individually independent position, should perhaps be placed in the category of heads.

Some one has said: “If you would know who is the head of a family, slip into the home.” The world, the big, arbitrary, hit-or-miss, too-much-in-a-hurry-to-correct-its-mistakes world, has decided that the master of “Standard Oil” is John D. Rockefeller, and John D. Rockefeller it is to all but those who have a pass-key to the “Standard Oil” home. To those the head of “Standard Oil”—the “Standard Oil” the world knows as it knows St. Paul, Shakespeare, or Jack the Giant-killer, or any of the things it knows well but not at all—is Henry H. Rogers. John D. Rockefeller may have more money, more actual dollars, than Henry H. Rogers, or all other members of the “Standard Oil” family, and in the early days of “Standard Oil” may have been looked up to as the big gun by his partners, and allowed to take the hugest hunks of the profits, and may have so handled and judiciously invested these as to be at the beginning of the twentieth century the richest man on earth, but none of these things alters the fact that the big brain, the big body, the head of “Standard Oil,” is Henry H. Rogers.

Take station at the entrance of 26 Broadway and watch the different members of the “Standard Oil” family as they enter the building: you will exclaim once and only once: “There goes the Master!” And the man who calls forth the cry will be Henry H. Rogers.

The big, jovial detective who stands all day long with one foot resting on the sidewalk and one on the first stone step of the home of “Standard Oil” will make oath he shows no different sign to Henry H. Rogers than to a Rockefeller, a Payne, a Flagler, a Pratt, or an O'Day; yet watch him when Mr. Rogers passes up the steps—an unconscious deference marks his salutation—the tribute of the soldier to the commanding general.

Follow through the door bearing the sign, “Henry H. Rogers, President of the National Transit Co.,” on the eleventh floor, and pass from the outer office into the beautiful, spacious mahogany apartment beyond, with its decorations of bronze bulls and bears and yacht-models, its walls covered with neatly framed autograph letters from Lincoln, Grant, “Tom” Reed, Mark Twain, and other real, big men, and it will come over you like a flash that here, unmistakably, is the *sanctum sanctorum* of the mightiest business institution of modern times. If a single doubt lingers, read what the men in the frames have said to Henry H. Rogers, and you will have proof positive that these judges of human nature knew this man, not only as the master of “Standard Oil,” but also as a sturdy and resolute friend whose jovial humanity they had recognized and enjoyed.

Did my readers ever hear of the National Transit Company? Very few have—yet the presidency of it is the modest title of Henry H. Rogers. When the world is ladling out honors to the “Standard Oil” kings, and spouting of their wondrous riches, how often is Henry H. Rogers mentioned? Not often, for he is never where the public can get a glimpse of him—he is too busy pulling the wires and playing the buttons in the shadows just behind the throne. Had it not been that that divinity which disposes of men's purposes compelled this man, as he neared the end of his remarkable career, to come into the open on Amalgamated, he might never have been known as the real master of “Standard Oil.” But if he is missing when the public is hurraing, he is sufficiently in evidence when clouds lower or when the danger-signal is run to the masthead at 26 Broadway. He who reads “Standard Oil” history will note that, from its first deal until this day, whenever bricks, cabbages, or aged eggs were being presented to “Standard Oil,” always were Henry H. Rogers' towering form and defiant eye to be seen in the foreground where the missiles flew thickest.

During the past twenty years, whenever the great political parties have lined-up for their regular once-in-four-years' tussle, there would be found Henry H. Rogers, calm as a race-track gambler, “sizing-up” the entries, their weights and handicaps. Every twist and turn in the pedigrees and records of Republicans and Democrats are as familiar to him as the “dope-sheets” are to the gambler, for is he not at the

Frenzied Finance

receiving end of the greatest information bureau in the world?

A Standard Oil agent is in every hamlet in the country, and who better than these trained and intelligent observers to interpret the varying trends of feelings in their communities? Tabulated and analyzed, these reports enable Rogers, the sagacious politician, to diagnose the drift of the country far ahead of the most astute of campaign managers. He is never in doubt about who will win the election. Before the contest is under way he has picked his winner and is beside him with generous offers of war expenses.

When labor would howl its anathemas at Standard Oil, and the Rockefellers and other stout-hearted generals and captains of this band of merry money-makers would fall to discussing conciliation and retreat, it was always Henry H. Rogers who fired at his associates his now famous panacea for all Standard Oil opposition: "We'll see Standard Oil in hell before we will allow any body of men on earth to dictate how we shall conduct our business!" And the fact that "Standard Oil" still does its business in the Elysian fields of success, where is neither sulphur nor the fumes of sulphur, is additional evidence of whose will it is that sways its destinies.

An impression of the despotic character of the man and of his manner of despatching the infinite details of the multitudinous business he must deal with daily may be gained by a glimpse of Henry H. Rogers at one of the meetings of the long list of giant corporations which number him among their directors. Surrounded though he be by the élite of all financialdom, the very flower of the business brains of America, you will surely hear his sharp, incisive, steel-clicking: "Gentlemen, are we ready for the vote, for I regret to say, I have another important and unavoidable meeting at ——?" You look at your watch. The time he mentions is twelve, or, at the most, fifteen minutes away. There is no chance for further discussion. Cut-and-dried resolutions are promptly put to the vote, and off goes the master to his other engagement which will be disposed of in the same peremptory fashion.

At a meeting of the directors of "financed" Steel, during the brief reign of its late "vacuumized" president, Charlie Schwab, an episode occurred which exhibited the danger of interfering with Mr. Rogers' iron-bound plans. The fact that the steel throne was many sizes too large for Schwab had, about this time, become publicly notorious, but Carnegie and Morgan on the surface, and "Standard Oil" beneath, were so busy preparing their alibis against the crash which even then was overdue that they had neither time nor desire to adjust themselves on the seat.

In advance Mr. Rogers made his invariable plea for quick action on a matter before the board when Schwab, with a tact generated by the wabbling of a misfit Wall Street crown chafing a generous pair of ears, blurted out: "Mr. Rogers will vote on this question after we have talked on it."

In a voice that those who heard it say sounded like a rattlesnake's hiss in a refrigerator, Rogers replied: "All meetings where I sit as director vote first and talk after I am gone."

It is said, and from my knowledge of these and after-events I believe with truth, that this occurrence was the spark that started the terrific explosion in United States Steel, for not long afterward some unknown and mysterious power began that formidable attack on Steel stock which left Wall Street full of the unattached ears, eyes, noses, breastbones, and scalps of hordes of financial potentates and their flambeau carriers. Whether or not Mr. Rogers was the instigator of this movement no man, of course, can positively state, but I can vouch for the fact that about this time he displayed, when talking "Steel" affairs with intimates, a most contemptuous bitterness against "King Charlie" and certain of his associates.

At sixty-five Henry H. Rogers is probably one of the most distinguished-looking men of the time; tall and straight, and as well-proportioned and supple as one of the beautiful American elms which line the streets of his native town. He was born in Fairhaven, a fishing village just over the bridge from the great whaling port, New Bedford. He comes of stalwart New England stock; his father was a sea-captain, and his lot, like that of most of the sons of old New England seaport towns, was cast along those hard, brain-and-body-developing lines which, beginning in the red village school-house, the white meeting-house, and the yellowish-grayish country store, end in unexpected places, often, as in this instance, upon the golden throne of business royalty.

Mr. Rogers' part in the very early days of Standard Oil was that of clerk and bookkeeper. He makes no secret that when he had risen to the height of \$8 a week wages he felt as proud and confident as ever in after-life when for the same number of days' labor it was no uncommon occurrence to find himself credited

Frenzied Finance

with a hundred thousand times that amount.

All able men have some of God's indelible imprints of greatness. This man's every feature bespeaks strength and distinction. When he walks, the active swing of his figure expresses power—realized, confident power. When at rest or in action his square jaw tells of fighting power, bull-dog, hold-on, never-let-go fighting power, and his high, full forehead of intellectual, mightily intellectual power; and they are re-enforced with cheek-bones and nose which suggest that this fighting power has in it something of the grim ruthlessness of the North American Indian. The eyes, however, are the crowning characteristic of the man's physical make-up.

One must see Mr. Rogers' eyes in action and in repose to half appreciate their wonders. I can only say they are red, blue, and black, brown, gray, and green; nor do I want my readers to think I put in colors that are not there, for there must be many others than those I have mentioned. I have seen them when they were so restfully blue that I would think they never could be anything but a part of those skies that come with the August and September afternoons when the bees' hum and the locusts' drone blend with the smell of the new-mown hay to help spell the word "Rest."

I have seen them so green that within their depths I was almost sure the fish were lazily resting in the shadows of those sea-plants which grow only on the ocean's bottom; and I have seen them as black as that thunder-cloud which makes us wonder: "Is He angry?" And then again I have watched them when they were of that fiery red and that glinting yellow which one sees only when at night the doors of a great, roaring furnace are opened.

There is such a kindly good-will in these eyes when they are at rest that the man does not live who would not consider himself favored to be allowed to turn over to Henry H. Rogers his pocket-book without receiving a receipt. They are the eyes of the man you would name in your will to care for your wife's and children's welfare. When their animation is friendly one would rather watch their merry twinkle as they keep time to their owner's inimitable stories and non-duplicatable anecdotes, trying to interpret the rapid and incessant telegraphy of their glances, than sit in a theatre or read an interesting book; but it is when they are active in war that the one privileged to observe them gets his real treat, always provided he can dodge the rain of blazing sparks and the withering hail of wrath that pours out on the offender. To watch them then requires real nerve, for it is only a nimble, stout-hearted, mail-covered individual that can sustain the encounter.

I have seen many forms of human wrath, many men transformed to terrible things by anger, but I have never seen any that were other than jumping-jack imitations of a jungle tiger compared with Henry H. Rogers when he "lets 'er go"—when the instant comes that he realizes some one is balking the accomplishment of his will.

Above all things Henry H. Rogers is a great actor. Had his lot been cast upon the stage, he might easily have eclipsed the fame of Booth or Salvini. He knows the human animal from the soles of his feet to the part in his hair and from his shoulder-blade to his breastbone, and like all great actors is not above getting down to every part he plays. He is likely also so to lose himself in a rôle that he gives it his own force and identity, and then things happen quite at variance with the lines. The original Booth would come upon the stage the cool, calculating, polished actor, but when well into his part was so lost in it that it was often with difficulty he could be brought back to himself when the curtain fell. Once while playing Richard III. at the old Boston Museum, Richmond, by whom he was to be slain, made, at the ordained moment, the thrust which should have laid him low, but instead, Booth in high frenzy parried it, and with the fiendishness of the original Richard, step by step drove Richmond off the stage and through the wings, and it was not until the police seized the great tragedian, two blocks away, that the terrified duke, who had dropped his sword and was running for dear life, was sure he would ever act again.

When in the midst of his important plays, it is doubtful whether Henry H. Rogers realizes until the guardians of the peace appear where the acting begins and the reality should end. His intimate associates can recall many times when his determination to make a hit in his part has caused other actors cast with him to throw aside their dummy swords and run for their lives.

The entire history of "Standard Oil" is strewn with court-scenes, civil and criminal, and in all the important ones Henry H. Rogers, the actor, will be found doing marvellous "stunts." Standard Oil historians are fond of dwelling on the extraordinary testifying abilities of John D. Rockefeller and other members of the

Frenzied Finance

band, but the acrobatic feats of ground and lofty tumbling in the way of truth which they have given when before the blinking footlights of the temples of justice are as Punch—and–Judy shows to a Barnum three–ring circus compared to Henry H. Rogers' exhibitions.

His “I will tell the truth, the whole truth, and nothing but the truth, so help me God,” sounds absolutely sincere and honest, but as it rings out in the tone of the third solemnest bell in the chime, this is how it is taken down in the unerring short–hand notes of the recording angel and sent by special wireless to the typewriter for His Majesty of the Sulphur Trust: “What I tell *shall* be the truth and the whole truth, and there *shall be* no truth but that I tell, and God help the man or woman who tells truth different from my truth.” The recording angel never missed catching Henry H. Rogers' court–oaths in this way, and never missed sending them along to the typewriter at Sulphurville, with this postscript: “Keep your wire open, for there'll be things doing now!”

At the recent but now famous sensational Boston “Gas Trial,” Henry H. Rogers in the rôle of defendant was the principal witness. I was in court five hours and a half each sitting as day after day he testified. I watched, as the brightest lawyers in the land laid their traps for him in direct and cross–examination, to detect a single sign of fiction replacing truth, or going joint–account with her, or where truth parted company with fiction; and I was compelled, when he stepped from the witness–stand, to admit I had not found what I had watched for. This, too, when I was equipped with actual knowledge and black–and–white proofs of the facts. Weeks before the trial began Attorney Sherman L. Whipple, one of the great cross–examiners of the time, had made his boast that he would break through the “Standard Oil” magnate's heretofore impenetrable bulwarks, and when H. H. Rogers entered the court–room for the first time and let his eagle eye sweep the lawyers, the laymen, and the judge until it finally rested on Whipple, the glance was as absolute a challenge and a defiance as ever knights of old exchanged.

I followed Mr. Rogers on the witness–stand and was compelled to give testimony directly opposite to that which he had given, and at one time, as I glanced at the row of lawyers who were in “Standard Oil's” hire, I felt a cold perspiration start at every pore at the thought of what would happen if I even in a slight detail got mixed in my facts. Then I fully realized the magnificence of Mr. Rogers' acting, for not once in all the hours I had sat and watched him had I detected a single evidence of cold, hot, or lukewarm perspiration coming from his pores.

Yet away from the intoxicating spell of dollar–making this remarkable man is one of the most charming and lovable beings I have ever encountered, a man whom any man or woman would be proud to have for a brother; a man whom any mother or father would give thanks for as a son; a man whom any woman would be happy to know as her husband, and a man whom any boy or girl would rejoice to call father. Once he passes under the baleful influence of “The Machine,” however, he becomes a relentless, ravenous creature, pitiless as a shark, knowing no law of God or man in the execution of his purpose. Between him and coveted dollars may come no kindly, humane influences—all are thrust aside, their claims disregarded, in ministering to this strange, cannibalistic money–hunger, which, in truth, grows by what it feeds on.

In describing one head of “Standard Oil,” I have necessarily used many words because nature cast him in a most uncommon and chameleon–like mould. The other two require less of my space, for neither is unusual nor remarkable.

John D. Rockefeller, however great his ability or worldly success, can be fully described as a man made in the image of an ideal money–maker and an ideal money–maker made in the image of a man. A foot–note should call attention to the fact that an ideal money–maker is a machine the details of which are diagrammed in the asbestos blue–prints which paper the walls of Hell.

With William Rockefeller it is different. When I read in my Bible that God made man in His own image and likeness, I find myself picturing a certain type of individual—a solid, substantial, sturdy gentleman with the broad shoulders and strong frame of an Englishman, and a cautious, kindly expression of face. And that is the most fitting description I can give of William Rockefeller. A man of few, very few words and most excellent judgment—rather brotherly than friendly, clean of mind and body; and if I have not given you the impression of a good, wholesome man made in the image of his God, I have done William Rockefeller a greater wrong than an honest man can afford to do another.

CHAPTER IV. MY OWN RESPONSIBILITY

As to my personal responsibility for the crime of Amalgamated, right here, before proceeding further, I shall briefly explain the transaction, state my share in the deal, and point out how completely I was hoodwinked by the "System."

The great Anaconda mine and affiliated properties, previous to the creation of the Amalgamated, were owned by J. B. Haggin, Lloyd Tevis, and Marcus Daly. The control of the properties and their operations were absolutely vested in Marcus Daly, and he alone knew where the lean veins ended and the fat ones began. For many years he had kept a close guard over the very fat ones, never letting his right eye know what the left one saw when he was examining them. For deep down in his mind Marcus Daly cherished a dream—a dream of immense riches, and it was to be realized in a simple enough way. He would get together the millions to buy out his partners on the basis of a valuation of the "ore in sight," then in supreme ownership himself reap untold profits out of the milling of the plethoric veins he had been so careful to leave unworked. The immense natural endowments of the Anaconda rendered this easy enough, for even the lean veins "in sight" contained a vast store of copper and gold and silver.

Just about the time the world awaited the first section of "Coppers" which I had advertised should consist of the rich Boston & Montana, and Butte & Boston properties, it "happened" that Mr. Rogers "met" Marcus Daly. The result of the conjunction of the two personalities—the whole-souled, trusting miner and the fascinating and persuasive master of Standard Oil—was decisive; the miner confided his dreams and his aspirations to the magnate, who at once magnificently undertook to realize them. The trade was almost instantly made. Mr. Rogers would buy the properties of Daly, Haggin, and Tevis, at "in-sight" prices, and Daly would be his partner, but the partnership must remain secret until the purchase was consummated.

The ownership of the Anaconda Company at the time consisted of 1,200,000 shares, and the purchase of a few shares over the majority at the "in-sight" lean-vein valuation of \$24,000,000 would carry the turnover of the management and the control. It took but a very brief time to get together the other properties which were finally included in the first section of Amalgamated. They consisted of the Colorado, Washoe, and Parrott Mining companies and timber, coal, and other lands, and mercantile and like properties situated in the State of Montana, for which Mr. Rogers paid in round figures \$15,000,000, *a total of \$39,000,000 for what within a few days after purchase was capitalized at \$75,000,000 in the Amalgamated Company.*

No one but Henry H. Rogers, William Rockefeller, myself, and one lawyer knew the actual figures of the cost, although a number of the members of the different groups, including Marcus Daly, the silent partner, were sure they were in the secret.

As soon as the properties were secured, they were capitalized for \$75,000,000 as the Amalgamated Copper Company and were immediately offered for sale to the public. It will thus be seen that the profit on this section alone was \$36,000,000, probably the largest actual profit ever made by one body of men in a single corporation deal, yet so nicely does "Standard Oil" discriminate in dispensing its generosity that in this case those who received the \$36,000,000 profit refused to deduct from it \$77,000 of expenses connected with the formation of the company, thereby compelling it to start \$77,000 in debt. This was something Marcus Daly never forgave and to the day of his death he repeatedly referred to the act as the personification of corporation meanness.

In the organization of the Amalgamated Corporation certain individuals and institutions, for various considerations, were entitled to some share in the profits of the deal. First there was Marcus Daly who knew what the major portion of the property had cost and was a silent partner in the winnings as he knew them. The Amalgamated Company was organized in and floated on the public from the National City Bank, and so James Stillman, its president and head, who is also one of the inner circle of "Standard Oil" chiefs, should participate. Something was due also to J. Pierpont Morgan & Co., and to Frederick Olcott, president of the Central Trust Company of New York, who were on the board of directors. On the board of directors, too, was Governor Flower, of the banking and brokerage house of Flower & Co., who had acted as fiscal agents for the corporation at its formation. Nor must I forget the Lewisohn Brothers, who had been compelled to turn in all

Frenzied Finance

their copper business at a fraction of its worth—or at just the aggregate of its cost and raw material—to be incorporated in the United Metals Selling Company, a part of the Amalgamated scheme, but not included in the corporation. Every one of these men had elaborate assurances that he was in on the cellar floor.

This is what actually occurred. Before Mr. Rogers and William Rockefeller let any one at all in, they built a superbly designed water-, air-, and light-proof structure (particularly light-proof), consisting of five floors, each one being the exact duplicate of the \$39,000,000 one upon which they, and they only, stood. Marcus Daly alone was ushered in on the first floor, elevated just a few million dollars above their own. James Stillman and Leonard Lewisohn, of Lewisohn Brothers, were admitted to the next one, the \$50,000,000 floor. In other words, Mr. Stillman and Mr. Lewisohn were given an unnamed percentage, the percentage to be arranged later by Mr. Rogers, in all profits above actual cost, and such actual cost was called \$50,000,000 and was arrived at by adding the \$11,000,000 of secret profits to the actual \$39,000,000 cost. Then J. P. Morgan & Co., Frederick Olcott, Governor Flower, and one or two of the dearest friends and closest associates, were let in on the \$60,000,000 floor—were given an unnamed percentage, the percentage to be arranged by Mr. Rogers, in all profits above actual cost, and such actual cost was called \$60,000,000, and was arrived at by adding \$21,000,000 of secret profits to the actual \$39,000,000 cost. Then selected ones from the eight different groups of “Standard Oil” were allowed to move in to the fifth, or underwriters' floor, which was affirmed to be \$70,000,000 cost; and then, as a solid phalanx, all the different floor-dwellers marched upon the dear public to the tune of \$75,000,000, in the front ranks of which were those of the eight groups of the Standard Oil army who had not already been admitted to any of the secret floors.

Right here the crime of Amalgamated was born, not so much the legal crime but the great moral crime. In the ethics of Wall Street the heinousness of the transaction lies not in the fact that the public was compelled to pay \$36,000,000 profit to a few men who had invested but \$39,000,000—and, as I shall show when I approach this part of my story, the \$39,000,000 did not even belong to them—but in the fact that Mr. Rogers and Mr. Rockefeller had given to their associates what, in the vernacular of “the Street,” is termed “the double cross.”

The every-day people, the millions who do not know Wall Street, realm of the royal American dollar; Wall Street, its sidewalks inlaid with gold coin and paved from curb to curb with solid gold bricks; Wall Street, lined with huge money-mills where hearts and souls are ground into gold-dust, whose gutters run full to overflowing with strangled, mangled, sand-bagged wrecks of human hopes, to be poured, in a never-ending stream, into the brimming waters of the river at its foot, for deposit at the poor-houses, insane asylums, States' prisons, and suicides' graves, washed daily by that grim flood's ebb and flow—the every-day people, I am sure, will not take in the blackness of this transaction at this stage of my story, but before it is ended I will lay this and many more of an equally hellish nature before them in such A B C simplicity that all can read the portent as clearly as the Prophet Daniel read the writing on the wall in the banquet-hall of Belshazzar.

When I consented to allow property which had cost only \$39,000,000 to be sold to the public for \$75,000,000, it was under a pressure which it was practically impossible for me to withstand. I do not think I use too strong a word when I say “pressure.” For three years I had been advertising to the world the great merits of “Coppers,” and for over a year I had announced that when the public was given an opportunity to participate in the consolidated “Coppers” it would be upon a basis most carefully worked out: that the properties included in the first section would surely be worth more than the price at which they would be offered to the public, and that all the power, capital, and ability of “Standard Oil” were behind the promises I made. I did this advertising openly and in the frankest possible way, and in all of my announcements, whether printed, oral, or otherwise, used the names of Henry H. Rogers, William Rockefeller, James Stillman, the National City Bank of New York, and “Standard Oil” as freely as I did my own, and in many ways led the public to believe that the very rich Boston & Montana and Butte & Boston companies were to be included in this section of “Coppers.”

At that time my alliance with “Standard Oil” was close. A business connection had developed into a strong personal relation between Mr. Rogers and myself. We were engaged, together with William Rockefeller, on a great financial deal which was based on certain conclusions I had worked out in regard to the copper industry. These men were to me the embodiment of success, success won in the fiercest

Frenzied Finance

commercial conflict of the age. Their position at the helm of the greatest financial institution in the world gave weight and importance to their judgment and opinions. Nor had aught occurred between us to suggest they would dare perpetrate the crimes they did. Besides all this, indeed an integral part of it, my personal resources were completely involved in the transaction, for the most part pledged with Mr. Rogers and William Rockefeller in stocks of the Butte & Boston and Boston & Montana corporations.

This was, then, the nature of our connection when Mr. Rogers, suddenly and without previous intimation of his schemes, notified me of his purchase of the Daly–Haggin–Tevis properties, and practically ordered me to put them upon the tray which I was preparing and take them to the eagerly waiting public, who by this time were fairly howling for the good things we had been promising them.

In support of this extraordinary change of plan Mr. Rogers urged the secret wealth of the Anaconda and the great value of the other properties which I myself had helped purchase, but I bitterly opposed the new proposition until there was nothing before me but these alternatives—to accept the change Mr. Rogers insisted on or break with “Standard Oil.” The latter would mean that I must announce to the public that it was in danger of being tricked, and it was by no means certain that my warning would carry weight against the denials and assurances of “Standard Oil.” However much influence I had obtained through my long years of dealings with the public, independent of “Standard Oil,” I realized that “Standard Oil's” influence and prestige were much greater, for it must be remembered that at this time the public had not had the evidence since acquired of the “System's” cold-blooded trickery. If I took this course it would mean not only my own ruin financially, for Mr. Rogers and William Rockefeller could call my loans and wipe me out completely, but also the ruin of my friends and allies, who, under my direction, had invested their own millions in the properties concerned. On the other hand, I had the most earnest assurances from Mr. Rogers and William Rockefeller that the new properties were worth much more than the \$75,000,000 at which it was proposed to capitalize them. They took me to task for my distrust of them, and went far to demonstrate to me the accuracy of their estimates. They not only gave me Marcus Daly's minute estimates of the values and legitimate possibilities of Anaconda, but consented to have these verified by outside experts in whom I had implicit confidence, and whose personal examination more than bore out Daly's appraisal. I have never yet had reason to doubt the correctness of the figures then shown me, although since I began this story “Standard Oil,” in an endeavor to get me to abandon my efforts to secure justice for the thousands I assisted in duping, have stated for the first time that Marcus Daly deceived them and really, to use the words of their chief counsel, sold them a “gold brick.”

After this examination I felt convinced that the properties “Standard Oil” insisted on substituting for those originally intended for the first section of Amalgamated were such that the public, if honestly dealt with, could not possibly meet with loss in purchasing. But even then I only consented to go ahead with the flotation under a definite agreement which seemed to me completely to guard against all contingencies of jugglery or deception. This agreement stipulated that all the profits from the transaction should be taken by those to whom they were due in the stock of the Amalgamated Company, and no part of them in cash—that the public should be sold, at the flotation, only \$5,000,000 of the \$75,000,000, and that “Standard Oil” and all associated with “Standard Oil” in the profits should retain the remaining \$70,000,000 until such time as it had been absolutely demonstrated to the public that the property behind the \$75,000,000 of stock was worth more than the amount it had been capitalized for. Furthermore, I was also promised that the \$5,000,000 cash to be taken from the public should be kept intact, and in my handling of the market it should always be available for the repurchase from the investors of what had been sold to them, at the price which they had paid for it.

This was the basis on which I went on with Amalgamated. I would not have my readers understand me as asserting it would have been possible for me to have stopped the flotation had I attempted it. But, on the other hand, I would not have them think that I desire to be absolved from the disastrous results of the great mistake I made at this time in not at any cost doing that which after-happenings have shown would have been the most honest course for me to have pursued. Nor would I have them think I desire to be absolved from the consequences of many other mistakes which this one led me into—mistakes in temporizing with the situation and postponing action which I should have boldly and fearlessly forced, regardless of all consequences to the public, my friends, and myself.

The subsequent proceedings, the manner in which Amalgamated was actually sold to the public, the

Frenzied Finance

flagrant disregard of the conditions of my agreement with Mr. Rogers and William Rockefeller, will, when fully told in their proper place in my story, show that the "System," by whose methods the public is as ruthlessly plundered as though the fruits of its labors were taken away from it by highwaymen, admits also of its own votaries being tricked and despoiled by their associates. The men who participated in the transaction I have just described are among the most astute financiers in the country and presumably possessed of invincible capacity to protect their own interests. But with all their knowledge of the "System's" tricks they were, in this instance, as shrewdly duped as the veriest tyro in the Wall Street game.

My own experience with the "System" in this deal was different in degree but not in principle from that of these others, and it must be remembered that I was better equipped to protect my interests than any of them. I knew that the actual cost of the properties comprising the first Amalgamated was \$39,000,000, and that when sold to the public at \$75,000,000 there must be a profit of \$36,000,000. I had every right to think I knew all the other details connected with the transaction, for as organizer and executant of the deal my share in the profits was to be equal to that of Henry H. Rogers and William Rockefeller respectively. We were each to have twenty-five per cent., the remaining twenty-five per cent. going to others. This was no gentleman's "leave-it-to-me-and-I'll-see-you-get-what's-coming-to-you" arrangement either, but a hard, cold, mutually satisfactory and settled-in-advance agreement. But when it came to the final accounting, the "System" had so regulated things that the participants on the various floors, except, of course, Mr. Rogers and William Rockefeller, must each accept without question the share finally handed over to him. Having no means of knowing how large the other interests were, or what the "extraordinary expenses" had been, they were in no position to question the payments made them, which represented sums below what they would have had if the business had been conducted as they thought it had been. When my final account was presented to me I was startled. Notwithstanding the "cleverness" of the "System," the deception was so obvious, so audacious, that the instant Mr. Rogers submitted it to me I exploded and denounced the transaction with such vehemence and conviction that within a few minutes there was forthcoming a second statement, revising the account, by which I was given just double the amount first tendered, and the figures in both accounts ran into millions; yet the amount in the second account upon which I settled was only one-half the share received by my equal partners, Henry H. Rogers and William Rockefeller, as I afterward learned.[1]

This is a fair statement of my own share in the first Amalgamated transaction. I have no desire to evade the issues suggested and raised by these revelations. My frankness should be absolute proof of that. As I promised, I shall hew to the exact line of fact, letting the chips of responsibility, legal and moral, fall where they may, though many of them stick to my own clothes. My own burden of error I am ready and willing to shoulder, but I decline any longer to take and carry responsibilities which belong absolutely to others. There should be a time-limit on martyrdom, and mine anyhow is up.

FOOTNOTES:

[1] I know no better spot in my story than right here to set the public right on two vital points concerning Amalgamated, upon which they are and always have been greatly at sea:

John D. Rockefeller did not have before the Amalgamated Company was organized and floated, nor at its organization and flotation, directly or indirectly, a dollar's interest in its stock nor its affairs, and I have what I consider excellent reasons for believing he has not had any interest up to the time of this writing.

The disasters which have come to the Amalgamated stockholders did not occur, as has been so industriously and ingeniously advertised throughout the world, because of the inability of the "Standard Oil"-Amalgamated-City Bank fraternity to prevent the collapse of the price of copper, the metal, from the high price of seventeen cents to the low one of eleven cents per pound. "Cornering" the metal market, forcing the price to an abnormally high figure and maintaining it there had, notwithstanding the many emphatic statements to the contrary, absolutely no part in any of our original plans, and the success or failure of our project was in no way dependent upon any price for copper, the metal, other than the fair and legitimate price caused by legitimate supply and demand. In fact, as I shall demonstrate before my story is ended, forcing the price to extremely high points and the resulting collapse were all a part of the trickery by which the public was plundered.

CHAPTER V. THE POWER OF DOLLARS

At no time in the history of the United States has the power of dollars been as great as now. Freedom and equity are controlled by dollars. The laws which should preserve and enforce all rights are made and enforced by dollars. It is possible to-day, with dollars, to “steer” the selection of the candidates of both the great parties for the highest office in our republic, that of President of the United States. It is possible to repeat the operation in the selection of candidates for the executive and legislative conduct and control of every State and municipality in the United States, and with a sufficient number of dollars to “steer” the doings of the law-makers and law-enforcers of the national, State, and municipal governments of the people, and to “steer” a sufficient proportion of the court decisions to make absolute any power created by such direction. It is all, broadly speaking, a matter of dollars practically to accomplish these things. I must not be misunderstood as even insinuating that there are not absolutely honest law-makers and law-enforcers, nor that there are not as many of them in proportion to the whole body as there were at the creation of our republic. I believe there is at the present time as large a percentage of honesty among Americans as ever there has been, but it is plainly evident to any student of the times that at no other period in the history of the United States has honesty been so completely “steered” by dishonesty as at this, the beginning of the twentieth century.

I shall go further and say that there to-day exists uncontrolled in the hands of a set of men a power to make dollars from nothing. That function of dollar-making which the people believe is vested in their Government alone and only exercised under the law for their benefit, is actually being secretly exercised on an enormous scale by a few private individuals for their own personal benefit. This, I am well aware, is a startling statement, but not more so than the facts which support it. Throughout the country we have all grown accustomed to the spectacle of men who, poor yesterday, to-day display more dollars than the kings and queens of olden times controlled. In flaunting this money these men proudly boast: “We made all this yesternight, and are going to multiply it five-or fifty-fold to-morrow night.”

The fact that there must be in this country some secret method of gaining vast fortunes gradually dawned on the minds of the people. This method, they argued, must be outside the laws of the land which they themselves had made, and they were confronted with the fact that the possessors of these fabulous fortunes were creating a power not recognized by their Government and which practically placed the Government in the hands of the fortune-owners. They realized that in some way the magic of this fortune-making was connected with, or seemed to be compounded in, institutions called corporations and trusts, and that among these the head and centre was a great affair called “Standard Oil.” Wherever this “Standard Oil” was, all knew that strange wonders were worked. Within the sphere of its influence dirt changed to gold, liquids to solids, and what was, was not, and what was not, was. Whoever became a part of this mysterious “Standard Oil,” at the same time was rendered “powerful”; as though touched by a fairy's wand, he changed from pauper to millionaire. But what was “Standard Oil”? The people knew that at the beginning it was only an aggregation of men, private individuals, who had accumulated much money by securing a monopoly of selling oil, and that these men were “Rockefellers,” and that Standard Oil and “Rockefellers” had been cute and cunning in the conduct of their oil-selling to a degree greater than had been rival sellers of oil or of other necessities. And as time wore on much more was heard of the cleverness of Standard Oil and “Rockefellers,” as the victims of the cuteness and the cunning “hollered” in public places, and the newspapers and writers of books exclaimed against their practices and exactions. But many other things were happening simultaneously, and to the great bulk of the people it was interesting rather than portentous that there existed in the country a giant oil-thing whose owners were reputed the richest men in the world.

It was not until the beginning of the twentieth century that the monster “Standard Oil” loomed up before the people as the giant of all corporate things and that its ominous shadow seemed to dwarf all other institutions, public or private. In multitudinous forms it was before the people.

In awed whispers men talked of its mysterious doings and canvassed its extraordinary powers as though “Standard Oil” were a living, breathing entity rather than a mere business institution created by men and existing only by virtue of the laws of the land.

Frenzied Finance

About the time that the world had begun mistily to take in the tremendous forces which radiated from "Standard Oil," there occurred a financial crash, and the people saw their savings, invested in what they supposed were the legal and absolute titles of ownership in the material things of their country, suddenly decline in value and contract to prices representing a loss to them of billions of dollars. Throughout the misery and suffering this terrible collapse occasioned, "Standard Oil" remained undisturbed as before and amid all the confusion kept sternly on its dollar-"making" way. Indeed, it seemed to gain in bulk as other institutions diminished or disappeared. Then it was that the people first began to demand, what they are still to-day fiercely demanding, "What is this 'Standard Oil'?" "What is its secret?" "Whence came it?" and, "Can our republic endure if it, too, endures?"

To-day "Standard Oil," the "Private Thing," is the greatest power in the land—more powerful than the people individually or as a whole, and its secret is the knowledge of the trick of finance by which dollars are "made" from nothing in unlimited quantities subject to no laws of man nor nature. The dollars that "Standard Oil" *makes* are of the same value as the dollars of the people as made by the Government, which dollars we know can be coined and put into circulation only in accordance with law and for the benefit of all the people.

For the better understanding of those readers not versed in the technical phrases of finance and economics I shall in my narrative make use of certain terms of my own which will convey meanings readily grasped when the sense in which they are used is once comprehended. In speaking of "Standard Oil," for instance, I will speak of it as a "Private Thing." By that term I desire to typify the active, private identity of a corporation which comprehends, but exists independently of, its legalized functions. Some corporations have a real personality in addition to that which their name and the corporation laws prescribe for them, an inherent power, or individuality, which exists above and apart from their physical functions as sellers of oil, of coal, or of ice. This may be an incarnation of the power developed in the transaction of their legalized occupations, but the "Private Thing" is uncontrolled by any of the restrictions by which the law defines and curbs the corporation whose name it bears. Already I have distinguished between "Standard Oil" which wields all the powers of its subsidiary companies, and Standard Oil, the seller of oil. In the same way we have "American Sugar Refineries" and "United States Steel," the "Private Things" which are not one whit better than nor different from "Standard Oil," the "Private Thing." Though this narrative will deal only with the "Private Things," Bay State Gas and Amalgamated Copper, I have no hesitancy in saying that the methods employed and the results, good or bad, which accrued in the case of any of the other "Private Things" with which the public have had to do, differ only in details from those with which I shall deal in my story.

In speaking of dollars brought into existence by the trick of finance I have referred to I shall call them henceforth "made dollars," to distinguish them from dollars coined by the Government and legitimately acquired by the individual or corporation. These "made dollars," it must be remembered, are really "made" for all purposes of use as surely as if they had the Government's stamp, yet they are not made in the sense of the known volume of the people's money being added to. So, however many of these "made dollars" are brought into existence by this trick of finance, only the men who "made" them can know and profit by their existence. The people are no wiser nor can they adjust themselves to the change of conditions brought about by the creation of all this new money; yet if "unmade" or lost, the entire volume of the nation's wealth would be contracted.

I can set before my readers better by an illustration than by any process of definition, the trick of finance by which "made dollars" are brought into existence. Let us suppose that the United States Government at Washington, the only power legally entitled to issue money for circulation among the people, puts forth a particular \$10,000. All the conditions prescribed by law have been followed, and all the people in the country are benefited by the issue and circulation of this particular \$10,000, each in the proportion the laws prescribe.

"B," a Western farmer, tills his soil and receives, by the sale of his wheat, the particular \$10,000, which he then deposits in *The Bank*. *The Bank*, being a part of the Government machinery, only receives, holds, and uses the \$10,000 under safeguards provided for by the laws of the land, so hereafter "B's" material life is conducted on the basis that he is the full and actual possessor of \$10,000. He knows, further, that his \$10,000 cannot be expanded nor contracted, nor its relation to any of the other money of the people which is in circulation altered without his knowledge, because he knows such changes cannot come about except through the Government. I say he knows this—he has every right to believe he knows it—but, in fact, it is not so,

Frenzied Finance

because of the working of the secret financial device of the Private Thing. At this stage enters “C,” the Private Thing.

“C” purchases with \$3,300 (“B’s” money) which he borrows from *The Bank*, a copper–mine, depositing the title which he receives from the seller with *The Bank* as collateral for the \$3,300. After purchasing he arbitrarily calls the copper–mine worth \$10,000—arbitrarily because his act is not controlled nor regulated by any of the laws of the land—arbitrarily because the actual cost, \$3,300, is his secret and his alone. Then, arbitrarily, “C” organizes his \$3,300 of copper property into the Arbitrary Copper Company, and issues to himself a piece of paper, which he arbitrarily stamps “10,000 stock dollars.” This he takes to *The Bank*, and by loan or other device exchanges it for the remaining \$6,700 belonging to “B,” and thereafter “C” conducts his affairs on the basis that he is the possessor of \$6,700, his “made dollars” in the transaction. At this stage there is actually in use among the people \$16,700 where “B,” the legitimate factor, and his kind, the people, suppose there is but \$10,000—\$10,000 which is recorded, known and legal, being used by the legitimate factors, “B” and *The Bank*, and \$6,700 which is unrecorded and unknown to any but “C” and *The Bank*, being used by the illegitimate Private Thing “C.”

Right here is the secret device, the financial trick, by which the greatest power in the land has been created, and by which the people can be absolutely plundered of their savings for the benefit of the few.

At this stage the two–thirds of “B’s” \$10,000, of which he later is to be plundered, has not been actually taken away, so he cannot possibly have any evidence yet of the process of pillage which has been begun, or that the volume of money which he supposes is all that exists has been tremendously expanded. The next step is where “C” sells his \$3,300, stamped “10,000 stock dollars” (which, as already shown, he has exchanged with *The Bank* for the \$10,000 deposited by “B”), to “B” for \$10,000, which \$10,000 “B” withdraws from *The Bank* by simply making out a check in favor of “C.” (“B’s” inducement to exchange his dollars for the stock dollars of “C” is the high rate of interest that they will return in the form of dividends, which rate is much larger than *The Bank* can afford to pay.) “C” deposits “B’s” check with *The Bank* and hereby liquidates his \$10,000 indebtedness to *The Bank*.

At this stage “B” is still the possessor of \$10,000, but it is “10,000 stock dollars.” “C” is the possessor of \$6,700, and “D,” from whom the copper–mine was purchased, is the possessor of \$3,300; but the two latter amounts make up the 10,000 real dollars, and *The Bank* remains where it was at the beginning of the transaction. The people, however, are no wiser; but they know, because they have been most carefully educated to such knowledge by “C’s” agents, Wall Street, and the press, that their country is tremendously prosperous—that its great prosperity is evidenced by the \$6,700 added wealth in the form of 6,700 new stock dollars. At the next stage the financial trick accomplished by the secret device is complete. “B,” the farmer, who has contracted for new machinery and other necessities and luxuries to be paid for “next season,” attempts next season to turn his 10,000 stock dollars into real dollars, and “C,” the Private Thing, knowing their real value to be but \$3,300, refuses to make the exchange, but instead, by proclaiming their real value, compels “B,” who must have real dollars to meet his debts, to sell them for what “C,” the Private Thing, is willing to pay. “C,” the Private Thing, is willing to pay their worth, which he alone knows is \$3,300; he repurchases them at that price from “B,” that he may repeat the operation at the return of the next “wave of the country’s prosperity.”

By this operation “B,” the farmer, has lost, as absolutely as though they had been taken away from him by a Government decree, \$6,700 of his own making, and “C,” the Private Thing, has “made,” as absolutely as though the Government had allowed him to coin them for his own benefit, 6,700 real dollars, and *The Bank*, created, regulated, and controlled by law, and existing because of the people’s deposits of money, has been the instrument by which “C,” the Private Thing, has deprived “B,” the farmer, of his savings, because “C,” the Private Thing, is at one and the same time during the operation I have outlined, himself and *The Bank*.

A careful study of this illustration, by even laymen unacquainted with financial or corporation affairs, will clearly show that the foundation of this transaction was *The Bank’s* putting in jeopardy \$3,300 of “B’s” deposited \$10,000, and that if the \$3,300, after being put in jeopardy, had been lost, “B” would have been the loser,[2] which, in turn, means that the compensation for the jeopardy in which the \$3,300 was placed was the possibility of \$6,700 profit; and that, therefore, the \$6,700 profit when made should have gone to the owner of the \$3,300, “B,” instead of to “C,” the user of it.

Frenzied Finance

It is therefore in this sense that I shall use the term “made dollars”—wherever they are “made” or “unmade” through one set of men using the dollars of another set of men without that other set knowing that their dollars are being so used; and wherever the result of such use is that when dollars are “made,” they are “made” by the ones who use others' money, and where dollars are “unmade,” they are lost by the ones who own the dollars which they don't know are being used.

FOOTNOTES:

[2] I say “B” would have been the loser because all money lost by a bank must eventually be lost by the depositors, the people, or the surplus or capital of the bank which belongs to the people, through their ownership of the stock in the bank. Of course the loss of individual amounts such as \$3,300 would not come directly on the people. But when the aggregate of the money put in jeopardy by the four classes of institutions I name—national banks, savings-banks, trusts, and insurance companies—runs into billions and is lost, the loss *must* fall on the people, because the only other ones involved are the managers and controllers of these institutions, who always see to it that when the losses which would wreck the bank are actually made, they, the managers and controllers, have no deposits and none of the stock.

CHAPTER VI. CONSTRUCTION OF "STANDARD OIL'S" "DOLLAR-MAKING" MILL

I believe "Standard Oil" was the first to utilize this secret device for circumventing the safeguards which the law has erected to protect the savings of the people. It was the first practically to apprehend that, a large proportion of all the moneys in circulation, which belong to the people or the Government, being in the custody of the national and savings-banks and trust and insurance companies, it would only be necessary for a set of men to obtain control of sufficient of the principal national and savings-banks and trust and insurance companies to control practically unlimited amounts of such funds. Once in control of these funds dollars could be absolutely "made" at will by the three following steps: 1st. Using the money in these institutions to acquire properties. 2d. Consolidating such properties on an inflated basis, and selling them to the people (who, in fact, already owned them; because they owned the funds with which they had been purchased); and, 3d, by stock-market trickery scaring their owners into re-selling them at an enormous shrinkage from the price they had paid. To understand a situation with "Standard Oil" is to act, and twenty years ago it began to weave a net to secure control of the four classes of institutions I have named.

Its first move was to establish a great corporation, the Standard Oil Company, and make its stock, 1,000,000 shares, sell at from \$650 to \$800 per share, or \$650,000,000 to \$800,000,000. It kept its affairs mysteriously secret, it paid enormous dividends, and from time to time it caused to be published broadcast throughout the world the statement that it was held in such value by its creators, the Rockefellers, Rogers, etc, that they continued to own all but a few shares of the entire capital. To prove that there could be no doubt of such continued ownership, the public's attention was repeatedly called to the fact that the Standard Oil Company was the only great corporation which did not allow its shares to be traded in upon any of the stock-exchanges. As a matter of fact, though they are not traded in on the regular stock-exchanges, they are actively bought and sold daily on the New York "Curb."

At the height of the recent financial storm word went round that the crafts of three over-night-made multimillionaires, men foremost in the seventh group of "Standard Oil" votaries, were in the trough of the financial sea and headed for the breakers, which were already strewn with the wrecks of the people's savings. Following closely on the heels of these stories came the astounding one that each of these enormously rich men had, in his endeavors to raise large amounts of cash, disclosed among his assets blocks of "Standard Oil" stock ranging from 5,000 to 20,000 shares each. Hardly had the public heard this before all financialdom knew that the storm-tossed crafts had received succor, and that the crisis had passed. For one brief day the financial press of the country printed the item: "Standard Oil came to the rescue by buying for cash large blocks of Standard Oil stock which had long been held by this or that interest for investment," and no more was thought of the incident. Even the most alert financiers never suspected that the most important stock secret of the age had been on the verge of becoming public property.

Planted deep in the minds of the public that watches the comings and goings of the Street is the conviction that Standard Oil is the holy of holies among stocks. The world has been taught to believe that the owners of Standard Oil regard the shares of the great oil corporation as their most precious, most sacred possessions. Yet while "Standard Oil" has been so scientifically spreading abroad the impression that the public would never be permitted to own Standard Oil stock, secretly it has been engaged in exchanging that stock for the securities of the people in the form of banks and trust companies, railroads, and other assets of definite value. So completely has "Standard Oil" pulled the wool over the eyes of the votaries of finance that there cannot be found in or out of Wall Street a single great financier who would not laugh to scorn the suggestion that "Standard Oil" is engaged in a campaign for the distribution of its Standard Oil stock to the public. Yet pin your great financier down to the facts, and he'll admit that he himself has quite a block of the stock, and that institutions of which he is a director include among their assets in one form or another good-sized parcels of the inestimable security. But so completely are these very wise men held by the spells woven over them when for this or that special reason they were allowed as a favor to acquire their holdings, and so impressively have they been shown that their ownership in Standard Oil stock must be kept secret, that no suspicion has ever

Frenzied Finance

entered their minds that they were playing the part of lambs in its purchase.

Nor was the episode I have described above allowed to disturb their serenity. It soon became known to the innermost circle of Wall Street that the stock the three men had resold to "Standard Oil" represented the share of each in some of the gigantic deals to which he had been a party during the last ten years, and that with its acquirement had gone a pledge that it would always be kept in the purchaser's "tin box," and whenever inspected by "Standard Oil" would be free from "pinholes." And so, adroitly, dangerous deductions were prevented.

For the uninstructed I may say that a capitalist's "tin box" is the receptacle for the stocks and bonds that largely represent his fortune, and pinholes in a stock certificate are in Wall Street conclusive evidence that such certificate has, at some period, temporarily passed into other's hands as collateral for loans, for there has been pinned to it a memorandum or note stating the details of the transaction in which its owner parted with it. Pinholed securities are looked upon by the upper crust of big financiers with much the same horror as that with which members of the American social upper crust look upon their No. 10 boots and gloves—reminders of their peasant ancestry.

But to return to "Standard Oil's" financial weavings: Their next move was to use Standard Oil stock as the basis for loans, that is, as collateral for money borrowed from the banks, trust and insurance companies, and treasuries of other great corporations and estates. The money thus acquired was paid out to purchase the control of banks and trust and insurance companies in all parts of the United States, the Standard Oil ownership being represented by dummy directors and officers.

The next move represents another of the dazzling devices of finance in which "Standard Oil" is adept, and brings the process of artificial expansion still further along. Control of a certain number of these savings and national banks and trust and insurance companies having been acquired, the funds of each were so manipulated by depositing those of one institution with another, and the latter's in turn with the first, as to swell the deposits of all and create in all of them an apparently legitimate basis for increases of capitalization. At the same time there was shown an apparently legitimate necessity for the establishment of additional banking and trust companies, which were duly organized and their assets juggled around by the same process. The result of all this manipulation defies description. Throughout the series of correlated institutions loans and deposits are multiplied in such an intricacy of duplication that only a few able experts, employed by the "System" because of their mathematical genius, are able to unravel the tangle to the extent of approximating the proportion the legitimate funds bear to those which have been created by the financial jugglery I have indicated.

When "Standard Oil" had gathered into its net sufficient of the important private institutions of finance there still remained the federal Government, the largest handler of money in the country. It was not hard for "Standard Oil" to introduce its expert votaries into the United States Treasury and thus to steer the millions of the nation into the banks subject to the "System's" control. This accomplished, the structure was complete and the process of "making" dollars proceeded on a magnificent scale.

That there may be no possible doubt in the minds of those of my readers who are unacquainted with such matters that I am citing every-day, actual happenings, I will tell just how the Daly-Haggin-Tevis-Anaconda-Amalgamated transaction was worked out, showing that but for the existence of the National City Bank of New York, or a like institution of the people, it could not have been brought about.

When Mr. Rogers and William Rockefeller "traded" with Messrs. Daly, Haggin, and Tevis for the Anaconda stock, and with others for like stock or other properties which I have already named, the price agreed upon was \$24,000,000 to Daly, Haggin, and Tevis, and \$15,000,000 to the others, or \$39,000,000 in all. This was to be paid by "Standard Oil" and received by Daly, Haggin, and Tevis, and the others, but one of the stipulations in the "trade" was that instead of the money's being paid to Daly, Haggin, and Tevis, and others direct, it was to be credited to them on the books of the National City Bank of New York and was to be, by agreement, not withdrawn from the bank before a given time, the bank agreeing that the new owners of this money should receive interest at a low rate upon it while it so remained deposited. At the same time the bank agreed to loan Mr. Rogers and William Rockefeller the \$39,000,000 at the same rate of interest upon the collateral which the \$39,000,000 was used in purchasing. Therefore the first part of the transaction was as

Frenzied Finance

follows:

The bank, having \$39,000,000 on hand belonging to the public in the form of savings deposited, or having a fictitious \$39,000,000 in the form of book-keeping accounts made possible by the deposits of the public and the manipulation of the funds in other banks and trust and insurance companies belonging to the public or the Government, caused an entry to be made in its books showing that this \$39,000,000 had been loaned to Mr. Rogers and William Rockefeller, and that they, having transferred it to Daly, Haggin, Tevis, and others, were, upon the books of the bank, the real owners.

The second part was the summoning into the City Bank of certain "Standard Oil" lawyers, office-boys, and clerks, and the organization by them of the Amalgamated Copper Company. The lawyers drew up the papers and the office-boys and clerks signed them. First, the papers certified that "whereas we (the office-boys and clerks) are desirous of taking advantage of the corporation laws of the State of New Jersey, we (the said office-boys and clerks) do so take advantage of the said laws and form ourselves into the Amalgamated Copper Company, which will have a capital of \$75,000,000, and which will be allowed by said laws to own copper-mines and other things, to mine copper and other things, to manufacture, buy, sell, and trade in copper and other things, and to do numerous and variegated other things; and that whereas we (the said office-boys and clerks) have now become the Amalgamated Copper Company, one of our number will purchase the entire capital stock of the said Amalgamated Copper Company for \$75,000,000 cash, which \$75,000,000 cash we herewith certify to have been paid in the form of a check for \$75,000,000, herewith delivered to the treasurer, one of our number, by the clerk who drew it; and the treasurer, herewith certifying that he has received the \$75,000,000, herewith delivers unto said clerk the \$75,000,000 capital stock of the Amalgamated Copper Company, and we (the said office-boys and clerks) herewith certify that there is within the treasury of the Amalgamated Copper Company \$75,000,000, and we (the said office-boys and clerks) vote that it, the said \$75,000,000, shall be used in the purchase of certain stocks and properties, and said certain stocks and properties shall be the same stocks and properties previously purchased by Mr. Rogers and William Rockefeller, and now owned by them, and we (the said office-boys and clerks) herewith certify that we have paid from the treasury \$75,000,000, that said \$75,000,000 is in the form of a check, and said check is the one previously received, or its equivalent, by our treasurer, from one of our number, to wit, the clerk referred to earlier in these papers, and said \$75,000,000 has been paid to Henry H. Rogers for his and William Rockefeller's use." Henry H. Rogers, now having \$75,000,000, where formerly he had stocks and properties which had cost him \$39,000,000, and being desirous of investing it, purchased from the clerk the \$75,000,000 of Amalgamated stock which he, the clerk, had previously purchased from the treasury of the Amalgamated Company, Mr. Rogers promptly paying for said purchase with the \$75,000,000 check or its equivalent, which has already done such yeoman service.

The organization of the Amalgamated Copper Company of New Jersey now being complete, and the company being in possession of all the property which had formerly belonged to Mr. Rogers and William Rockefeller, and which had cost them \$39,000,000, and the clerk having again come into possession of his \$75,000,000 check, and Mr. Rogers and William Rockefeller being the sole owners of the \$75,000,000 of Amalgamated stock, the second part of this transaction was completed. The third began by the office-boys and clerks resigning from their positions as directors and officers of the Amalgamated Copper Company of New Jersey in favor of the more responsible and better known "Standard Oil" votaries. Mr. Rogers and William Rockefeller then had the National City Bank of New York offer for sale to the public the \$75,000,000 of stock in such a way that, although it was then the private property of Mr. Rogers and William Rockefeller, the public were led to believe it was the property of the Amalgamated Copper Company. Simultaneously, the National City Bank of New York offered to loan the public its deposits at the rate of ninety cents on the dollar, on any amount of the Amalgamated stock it, the public, purchased; whereupon the public, taking advantage of this offer, agreed to purchase from the National City Bank of New York the \$75,000,000 of stock for \$75,000,000, thereby enabling it to certify upon its books that the \$39,000,000 it had loaned to Messrs. Rogers and Rockefeller had been repaid, and enabling Mr. Rogers and William Rockefeller, after paying said debts to the National City Bank of New York, to become the absolute owners of \$36,000,000 of money, none of which they had owned before, and which they had "made" as absolutely as though they had coined it by permit from the Government of the people who had parted with it.[3]

Frenzied Finance

The fourth part of the transaction began when months afterward the public, who had borrowed their money from the National City Bank of New York and other banks and trust and insurance companies to buy Amalgamated stock at 100 cents on the dollar, were compelled to repay it, and to do so were obliged to sell the Amalgamated stock which they had purchased at \$100 per share for the best price they could get, which was \$33 per share; and if we suppose for a moment that the "Standard Oil," after repurchasing it at \$33 per share, at a later day repeated the operation of selling it for \$100 per share, it will be seen that "Standard Oil," the "Private Thing," would thereby "make" an additional \$50,000,000, as absolutely as though they had been allowed by the Government to coin it.[4]

This explanation is not the creation of an extravagant fancy. It is not romance, but reality. The thing described was a supreme manifestation of the "System," of the perfect working of that tremendous financial machine which reaps, grinds, and harvests for its own benefit, the earned savings of the American people.

In showing how these thirty-six millions were made in the brief space of this creature's (Amalgamated Copper's) life, I deal with reality and not romance; but let my readers for a moment give their imaginations play and picture to themselves one scene in this stupendous drama. A great room in the greatest banking house in America, if not in the world—silent, solemn—an atmosphere of impregnable rectitude—the solid furniture, the heavy carpets, the chill high walls, the massive desks, the impressive chairs, the great majestic table portentously suggestive of power. Presto! the dim calm is broken; the air vibrates as when an ancient church is invaded by a swarm of vampire-bats. Into the great room enter a group of men and a flock of youths, who settle in the impressive chairs round the majestic table. You wonder what is the motive of the assemblage. These grave lawyers, whose names are weighty in the nation's councils, and these gray-haired, dignified financiers might well be gathered to arbitrate a dispute involving empires; but why these office-boys and clerks, with their restless, surprised eyes and uneasy gestures? The flourishing of papers, the murmuring of voices in a confusion of "seventy-five million," "we buy," "we sell," "we are," "we will"—words, nothing but words; then silence as one reads from a stiff parchment certain resolutions which the suave gentleman with incisive steel-clicking manners, at the head of the table, puts to a vote. Then these youths, whose souls are afire with the hope of a director's \$5 gold fee, timidly sign the record, trembling the while lest a blot call down on them a scolding; a head clerk, whose fondest dream is a raise of salary as the result of coming under the Master's eye in a seventy-five-million-dollar deal, affixes a seal, and there is an exchanging of thin slips of paper—checks—dollars—magically "made dollars." Exit office-boys and lawyers.

The door closes—silence again. Then the air vibrates with the sound of a hearty hand-slap and the genial, whole-souled greeting of the "Master" to his partner. "William, I feel as though I had done an honest day's labor! Thirty-six million dollars 'made' and no hitch, no delay!" Then follows the partner's mild answer: "Yes, Harry, but don't forget James' and the others' shares will shrink it up quite a bit."

Thirty-six million dollars for *one honest day's labor*! Thirty-six million dollars—and Alaska cost us but seven millions and Spain relinquished to us her claims on the Philippines for only twenty millions. Thirty-six million dollars!—more than a hundred times as much as George Washington, Thomas Jefferson, and "Abe" Lincoln together secured for the patriotic labors of their lifetimes. And this vast sum was taken from the people to enrich men whose coffers were already, as the results of similar operations, so full of dollars that neither they nor their children, nor their children's children could count them—as the people count their savings, a dollar at a time—as thoughtlessly taken as are the apples that the school-boy steals after he has eaten so many that he can eat no more.

A thousand times have I tried to figure out in my mind what worlds of misery such a sum of millions might allay if issued by a government and intelligently distributed among a people—and do my readers know that never in the world's recorded history has any nation felt itself rich enough to devote thirty-six millions to the cause of charity—even in the midst of the most awful calamities of fire, flood, war, or pestilence? On the other hand, I have had to know about the horrors, the misfortunes, the earthly hell, which were the awful consequences of the appropriation of this vast amount. I have had to know about the convicts, the suicides, the broken hearts, the starvation and wretchedness, the ruined bodies and lost souls which strewed the fields of the "System's" harvest.

Pondering all these things, I have ceased to wonder at the deep murmurs of discontent that are rising,

Frenzied Finance

rising to my ears from all parts of the continent.

Can it be that a just God suffers the sons and daughters of some of us to eke out a bare existence as the best reward of earnest effort and sterling worth, and at the same time rewards these other men with \$36,000,000 for one day's labor? Is this the freedom which our fathers and our sons died on many a bloody, hard-fought field to preserve? I am conscious of a haunting fear that these men and women may not always be patient, may not always be put off with skilled evasion or slippery subterfuge, and for one brief moment I see visions of a marching people, bearing aloft grisly heads on gory poles, and hear above the low, bestial murmur of the mob the cry for bread and for revenge.

And then I remember that this is *America*, not France; that our laws are strong—if but the people are aroused to see them obeyed; that our prisons are ample, even though they be for the present filled with petty rascals who can do but little harm though turned loose to make room for the real scoundrels who are undermining the foundations of our Republic.

FOOTNOTES:

[3] It must be remembered that the Amalgamated Company never owned all the capital stock of the Anaconda, but, on the contrary, only a few shares over 600,000, which represented the ownership of the Haggin–Tevis–Daly people, and which they had turned in for a lump sum before the market price had advanced. The control of the Parrott, owned by the Amalgamated Company, was purchased for a lump amount from Franklin Farrell and his associates for the sum of \$4,000,000—odd, not \$12,190,000. The Colorado Smelting and Mining Company was also purchased in a lumped batch of Senator Wolcott, not at \$7,000,000, but for \$2,000,000—odd, while the tremendous advance in the price of Anaconda in the market from 30 to 70 was due to the operations of Messrs. Rogers and Rockefeller for their private account, out of which they made a large additional profit.

There can be no possibility of mistake or successful misrepresentation of these figures: first, because the Anaconda figures are known not only to Mr. Rogers, William Rockefeller, and myself, but to J. B. Haggin, and to the estates of Tevis and Marcus Daly; the Colorado figures, to associates of Senator Wolcott and to his estate; and the Parrott figures, to Mr. Farrell who received the money, and to a large number of those to whom he had to account; and, further, these figures will all be demonstrated in open court in suits outside of any with which I have to do, which are now being brought or are pending.

[4] As a matter of fact, the people lost even more than thirty–six millions of dollars on this part of the Amalgamated transaction, because “Standard Oil” did not sell all the 750,000 shares at \$100 per share (\$75,000,000) at that time. They retained two–thirds of them, which at a later date they fed out to the public at \$115 per share, and at a still later date they took them back at \$33 per share.

CHAPTER VII. JUGGLING WITH MILLIONS OF THE PEOPLE'S MONEY

For the purposes of the transaction I have just described the machinery of a great bank or trust company was essential. The vast profit gained here was absolutely “made” through the instrumentality of the National City Bank of New York, but some other tractable institution would have been equally efficient. In order that my readers may focus such great financial concerns as this National City Bank, I give right here brief résumés of its career and resources and of those of two of its affiliated institutions:

NATIONAL CITY BANK New York City

JAMES STILLMAN, *President*.

The “City Bank” was chartered by the New York Legislature in 1812, and reorganized as a National Bank July 17, 1865. The capital paid in was \$1,000,000. Moses Taylor held the office of president for thirty-four years, and died in 1892, when Percy R. Pyne, son-in-law of Moses Taylor, was elected president and held office until the election of James Stillman, of Woodward & Stillman, cotton merchants, when the capital stock of the bank was increased to \$10,000,000, and again increased to \$25,000,000. The sworn report of the officers and directors filed with the Controller of the Currency shows that the condition of the bank, January, 1904, was:

RESOURCES

Loans and discounts \$114,507,919.20
 Overdrafts secured and unsecured 162.90
 United States bonds to secure circulation 3,220,000.00
 United States bonds to secure United States deposits 12,937,000.00
 United States bonds on hand 60,120.00
 United States bond account 4,450,000.00
 Premiums on United States bonds 1,354,013.00
 Stocks, securities, etc. 16,709,241.62
 Banking-house furniture and fixtures 200,000.00
 Due from national banks (not reserve agents) 4,727,461.12
 Due from State banks and bankers 644,288.80
 Exchange for clearing-house 31,000,935.34
 Checks and other cash items 798,843.22
 Notes of other national banks 209,015.00
 Fractional paper currency, nickels, and cents 684.63
 Lawful money reserve in bank, viz.:
 Specie \$36,928,350.00
 Legal tender notes 7,100,000.00 44,028,350.00
 Redemption fund with U. S. Treasurer (5% of circulation) 161,000.00
 Due from U. S. Treasurer other than 5% redemption fund 204,105.95
 Total \$235,213,140.78

LIABILITIES

Capital stock paid in \$25,000,000.00
 Surplus fund 8,900,000.00
 Undivided profits, less expenses and taxes paid 8,503,038.26
National bank notes outstanding 3,180,000.00
Due to other national banks \$36,469,683.95

Frenzied Finance

Due to State banks and bankers 5,903,473.87
Due to trust companies and savings-banks
29,210,461.00
Provident reserve fund 30,000.00
Dividends unpaid 519.00
Individual deposits subject to check 82,576,884.06
Demand certificates of deposit 43,790.00
Certified checks 10,752,671.01
Cashier's checks outstanding 7,631,619.78
United States deposits 12,937,000.00—185,556,102.67
United States bonds 4,155,000.00
Total \$235,213,140.78

THE NEW YORK LIFE INSURANCE COMPANY

The company was incorporated by special act of the New York Legislature in 1841. It is the third largest insurance company in the United States. The assets of the company January 1, 1892, were \$125,947,290, and income \$31,854,194. In 1904 the assets were \$352,652,048; income, \$88,269,531.

THE NATIONAL SHAWMUT BANK, OF BOSTON

This institution was incorporated in 1898 with a paid-in capital of \$3,000,000. In 1904 its total resources, also liabilities, were \$63,471,639, of the same general character as those of the National City Bank of New York.

A calm examination of these figures, illuminated by the explanation of the "System's" methods I have previously given, will awaken the American people to a comprehension of what use "high finance" makes of the savings of the public intrusted to it for legitimate investment.

Nor must it be supposed for one minute that the insurance company and the Boston bank which I have used for illustrations differ in any way from scores and scores of their kind which are as absolutely "steered" in their operations by the National City Bank of New York as the National City Bank of New York is absolutely "steered" by its president, James Stillman, or as James Stillman is absolutely "steered" by "Standard Oil," the Private Thing, or as "Standard Oil," the Private Thing, is absolutely "steered" by its supreme heads, Henry H. Rogers, William Rockefeller, and John D. Rockefeller. And if any doubt remains in the minds of my readers of the absolute power of "Standard Oil," the Private Thing, to "make" dollars at will, or of the dead-sure working of their "heads-I-win-and-tails-you-lose" gambling game, I ask them carefully to analyze the above statements in connection with the facts in the Amalgamated transaction which just precede them.

Fourteen years ago the National City Bank passed out of the legitimate management of old-fashioned business men of the Moses Taylor stamp and into the hands of the "System," the Private Thing. Then its capital was \$1,000,000; it is to-day \$25,000,000, and after having paid out millions in dividends and other profits it has, in addition, a surplus of \$16,000,000, and it has the absolute power to juggle with a total of \$235,000,000, \$36,000,000 of which belong to other national banks, \$6,000,000 to State banks and bankers, \$29,000,000 to trust companies and savings-banks, \$82,000,000 to individual depositors, \$10,000,000 to the holders of certified checks, \$7,000,000 to the holders of cashiers' checks, \$13,000,000 to the Government directly, and \$4,000,000 in Government bonds, to say nothing of scores of hundreds of millions more through its affiliated institutions. And all this juggling is done in such a fearless manner that we find it in the Amalgamated deal loaning in one transaction an amount so great that if it had been lost, the bank's entire capital would have been more than completely wiped out. That my readers may not base their conclusions upon this one transaction of this mighty engine of the "System," vicious as it shows on the surface and destructive as it really was to the thousands who were parties to it, *I will later in this story show the National City Bank in another section of the Amalgamated deal, doing things which in intention and in result were so much bolder and grosser that this transaction will by comparison appear pure and legitimate.*

Frenzied Finance

During the past thirty years the American people have become so used to enormous figures in connection with corporations and trusts that they have not stopped to discriminate between different classes of fortunes nor to figure out that fortunes of certain kinds are absolute self-evidence that they were acquired by illegal methods, and that if allowed to multiply the people will surely be enslaved and the republic destroyed. For instance, there are in New York City alone dozens of national and savings-banks and insurance and trust companies which control money enough to make them practically omnipotent in whatever direction their controllers exert their power. I will name but seven, showing what enormous amounts their managers control; and let it be borne in mind that all such institutions are linked together by the "System" as firmly and surely as any human things can be linked. The Equitable, Mutual, and New York Life Insurance companies have a combined capital of \$1,200,000,000 of assets, a yearly income of \$230,000,000, and \$4,500,000,000 of insurance in force; the National City Bank, United States Trust, Mercantile Trust, and Union Trust companies \$30,000,000 capital, and \$45,000,000 surplus, and they have the vast sum of \$450,000,000 of the people's money to juggle with.

CHAPTER VIII. “STANDARD OIL” INVESTS “MADE DOLLARS” IN GAS

And now I shall have to go back a bit in my story. After “Standard Oil” had firmly established, through the agency of the curb,[5] the value of the 1,000,000 shares of Standard Oil, the corporation seller of oil, at between \$600,000,000 and \$800,000,000, and had used it as collateral in securing control of the four classes of money institutions I have named—the national and savings-banks and trust and insurance companies—it proceeded to use the funds thus controlled to manipulate the stocks of great public corporations for its own profit, forming them into trusts with capitals far beyond their values, represented by new stocks and bonds, which it sold to the public at prices aggregating a hundred to five hundred per cent. over the old capitalization. It then engaged in a wonderfully clever campaign to work off on the people—directly, the very rich people, but indirectly, the people as a whole—through institutions which exist because of the people's savings—the \$600,000,000 to \$800,000,000 of Standard Oil stock which had at this stage served the principal use for which it had been created. It must be borne in mind that while “Standard Oil” is grinding out “made dollars,” its owners never for an instant lose sight of that dim, distant day of reckoning when the people will awaken to their losses. The “Rogerses” and the “Rockefellers” know well that the public cannot always be kept in ignorance of the methods of the “System” by which it has been plundered, and that once it is in possession of the secret of how the savings of the many have become the property of the few, there may be reprisals of such a nature as will compel the “System” to yield up its gains. They know that when that day comes it will not be best for them to have their enormous fortunes in such get-at-able property as real estate, in which so many of the legitimately acquired American fortunes are invested. In a quiet way, therefore, they have put the bulk of their “made dollars” into unrecorded forms, such as Government bonds; bonds and preferred stocks of what they consider non-duplicatable franchise corporations such as railroads, which require rights of way; into municipal public service enterprises, such as gas companies, the existence of which depends upon rights of way for pipes; and into the stocks of banks and trust and insurance companies, which they believe the people will never dare attack because their savings are largely deposited in them.

I would not have my readers think that the principal motive actuating “Standard Oil” in parting with its Standard Oil stock is doubt of its present intrinsic worth, for such is not the case. The masters of “Standard Oil” are very able, far-seeing men, and they know that so thoroughly have the American people been educated to the crimes which created Standard Oil, the crimes by which it has existed and does exist, that no passage of time or “pious-ing” of latter-day methods, will ever blind them to its iniquities, and that when reprisal day comes, as come it surely will, the first thing the people in their frenzy will look for will be Standard Oil. This is the reason which, more than any other, influences them in selling to others an enterprise which has up to the present time not only enjoyed tremendous prosperity, but which has as yet met with no obstacle or hindrance.

Of all forms of tangible investment “Standard Oil” has looked most favorably upon gas stocks, and its secret devices have been worked overtime in consolidating gas companies throughout the United States. In a general way, as manufacturers of illuminating oil, “Standard Oil” had early become familiar with the problems of supplying large communities—cities—with gas light; and with the advent of water-gas, as sellers of petroleum they controlled an important factor in the production of that volatile commodity. All the talent of the “System,” trained in “handling” municipal authorities, came into play in this big new business of lighting cities—a business which perforce became a monopoly as soon as the powerful tentacles grasping it were recognized as “Standard Oil.”

At the time my story opens (1894) “Standard Oil” had already captured the gas-lighting corporations of certain of the great cities of the United States, including the immensely rich ones of New York (directly), Philadelphia and Chicago (indirectly); and for two years previously had been besieging the several independent Brooklyn companies for the purpose of consolidating them into a single gigantic corporation. This project it has since accomplished. Its intention is to weld this corporation with the great one that already holds the monopoly of Manhattan.

The task of diagramming a territory for invasion is one after Henry H. Rogers' own heart. His campaigns

Frenzied Finance

are planned with Napoleonic power and foresight. When the capture of Brooklyn was decided on, the several corporations to be subdued were “sized up” as to their revenues and liabilities; the resources of their stockholders were studied out, and a plan of action organized to separate each one from his shares at “hard-pan” prices. In the “Standard Oil” armory there are many instruments of “persuasion,” and he is indeed a hardy fellow who can resist the various “trying-out” processes to which mutineers are subjected. This obstinate capitalist will be summarily knocked on the head; that other inveigled into a dark corner by a strong-arm man; another group owe money to one of the “System's” banks and a brief spell on the financial rack will weaken their grip. Sooner or later all succumb. While such details as these were being attended to, lines were being strung here and there to bring about the passage by the city of Brooklyn and the Legislature of New York State of ordinances and laws which should allow this and compel that to be done, and so rivet the various links of the great venture.

While in the midst of this campaign, to which Henry H. Rogers' genius, matured in many a hard-fought business battle, foresaw an early and easy triumphal termination, there came athwart his victorious path a financial guerilla, “balloony,” mysterious, yet as sticky as a jelly-fish, who was destined to exert a most maleficent influence on his after-life. Fate hangs no red lights at the cross-roads of a man's career. No “pricking of his thumbs,” no strange portents warned the Master of “Standard Oil” that the impudent Philadelphia swashbuckler who dared interfere with the execution of his plan to fetter the “System's” yoke to the necks of the citizens of Brooklyn was the factor that destiny had chosen to shape the ends that he had rough-hewn.

The financial guerilla was J. Edward O'Sullivan Addicks, votary of rotten finance, perpetual candidate for the United States Senate, wholesale debaucher of American citizenship and all-round corrupter of men—J. Edward O'Sullivan Addicks, a corporation political trickster, who has done more to hold up American laws, American elective franchises, and American corporations to the scorn of the civilized world than any other man of this or any previous age.

FOOTNOTES:

[5] The New York “curb” is the latest invention in finance, coming closely upon the heels of the invention of trusts, and it holds the same relation to the New York Stock Exchange that Private Things hold to corporations. Before a stock can be bought and sold on the New York Stock Exchange, there must be submitted to the governors a description of what the stock is, which must be of such tangibility that any one who cares to investigate may find there every detail and particular of the property represented, set forth with the utmost exactitude. But on the “curb” stocks can be traded in without responsible sponsors or descriptions that mean anything. In other words, a stock may be bought and sold there, which is so vague and indefinite as to be little more than a name, and it is through the “curb” that the value of “Standard Oil” stock is established, for it is daily bought and sold there at the steadily held prices of 650 to 800, and the press of the world makes daily record of these prices.

CHAPTER IX. A VOTARY OF THE "SYSTEM"

The "System" has all sorts of votaries. About J. Edward O'Sullivan Addicks there is nothing that remotely suggests coworkers of the types of Mr. Rogers and William Rockefeller. A description that left him in any part a duplicate of either would do him and them a grievous wrong. Henry H. Rogers and William Rockefeller have two sides, their social side and their business side. Socially, they are good men; in business they work evil. J. Edward O'Sullivan Addicks is a bad man, socially, in business, in every way. The term "bad man" is used advisedly. My idea of a "bad man" is that like a bad dollar he is a counterfeit. A counterfeit has all the appearances of reality, and is yet devoid of its properties and virtues. So with Addicks. It is easy to find men who will declare by all that is sacred that Henry H. Rogers is one of the best fellows in the world, though as many more will as earnestly proclaim him the fiend incarnate. About Addicks, among those who know the man, there is but one opinion. I have yet to meet the man, woman, or child who would say aught of Addicks, after a month's acquaintance, other than, "Don't mention him! He is the limit." And it will be said with the calm of dispassionate conviction, as one might speak of a stuffed tiger in a dime-museum jungle.

Here we have a man without a heart, without a soul, and, I believe, absolutely without conscience—the type of man who even his associates feel is likely to bring in after their deaths queer bills against their estates as an offset for what he owes them; the type of man whose promise is just as good as his bond, and whose bond is so near his promise as to make it absolutely immaterial to him which you take.

Exhibited in the side show of one of the great circuses some years ago was a strange creature which, for lack of a better name, its owner and the public dubbed, "A What Is It?" This freak had the semblance of humanity, and yet was not human. All its functions and feelings reversed the normal. Tickle it and it would cry bitterly; pinch or torture it and it would grin rapturously; when starved it repelled food, and when overfed it was ravenous for more. It had heart-beats but no heart. The public gave it up. The public would long ago have given up J. Edward O'Sullivan Addicks if he would have let them.

Illustration is better than explanation, and perhaps I can more graphically set J. Edward O'Sullivan Addicks before my readers by a few incidents which show his contradictory characteristics in action than by verbal diagrams, however laborious.

Once upon a time Addicks, entering Delmonico's for dinner, stumbled on a couple of newsboys at the entrance. One, broken-hearted, was being consoled by the other. Addicks, observing the deep sobs, asked: "What's the matter with you, bub?" The consoler explained that his chum had lost \$2, his day's earnings and capital, and "His mudder—his fadder's dead—an' de baby'll git trun outter de tenement." Addicks, without more ado, slipped the suffering young news-merchant a bill which his friends supposed was \$2 to replace the lost funds. As they were taking off their coats in the hall, however, the little newsboy pushed his way in with: "Say, boss, did yer mean ter guv me de twenty?" Addicks nodded a good-natured assent, and his friends registered silently a white mark to his score, and felt that, after all, somewhere beneath the surface he was more of the right sort than they had given him credit for being. After dinner, as they left, the newsboy again approached. "'Scuse me, boss, but me chum 'd like ter t'ank yer too. I'm goin' ter give him a V outter it." Addicks looked at the boy in his mildly cold way and said: "Let me have that bill. I will change it for you." The boy gave it up, and Addicks, after methodically placing it in his purse, handed him back a \$2 bill with: "That's what you lost, isn't it? And you" (to the second little fellow, who by this time had mapped out visions of new duds for the kids and a warm seat in the gallery of a Bowery theatre), "you didn't lose anything, did you? Well, both of you run along now!"

His friends looked at each other, and from their slates wiped away the white mark and replaced it with a deep, broad, black one. And yet Addicks had made good the loss—done a good deed, but in an—Addicks way. I should perhaps remark that J. Edward O'Sullivan Addicks has never smoked, nor used a swear-word, nor taken liquor in any form.

During the Addicks gas campaign in Boston one of his lieutenants demanded as his share of the deal a large amount of money, which he claimed Addicks was withholding from him. Addicks refused to pay. Friends and associates urged him to settle. While yet refusing, he agreed to meet this man at one of the leading

Frenzied Finance

hotels in the presence of counsel and lieutenants. The interview was a hot one. Addicks surprised all by his absolute fearlessness in the face of a savage attack, which culminated in the production of a document signed by certain Massachusetts legislators, wherein they receipted for the bribe money Addicks had paid for their votes. The man who claimed he was being cheated threatened this would be laid before the Grand Jury the following day. All the witnesses were dumfounded at the situation and in concert begged Addicks to hush the matter up by paying what was claimed. "Gentlemen," said this great financier, "my honor, my business and my personal honor, has been assailed, and rather than submit to this outrage I would die! I now ask you all to bear witness that under no circumstances will I pay to this man a single dollar!" And he indignantly left the meeting.

While his counsel and associates were appalled at what might be the outcome, they admired Addicks' manly pluck, and asked themselves if they had not, after all, been mistaken in their estimates of his courage and principle. In the middle of the same night, the man with the document was surprised by a telegram reading: "Meet me in Jersey City to-morrow sure with paper; keep absolutely secret." Next day in Jersey they met, and Addicks simply said: "There is the full amount. Give me the paper. You don't suppose I would compound a felony in the State in which it was committed, and before witnesses, do you?"

In the national election of 1896 J. Edward O'Sullivan Addicks was a candidate for the United States Senate in Delaware, and for a variety of reasons was anxious to secure a Republican victory. Within the State, however, the real contest was not over national issues, but to obtain control of the Legislature which in the following January had to elect a United States Senator. There were three factions, the Democrats and two wings of the Republicans, the Addicks and anti-Addicks parties, the latter calling themselves "regulars." On Election Day Addicks used an even \$100,000 buying votes, and that evening Delaware was safe for McKinley—both the "regulars" and the men whom Addicks' money bought having voted for a Republican President. But it was early bruited around that if the vote of Sussex County (there are three counties in Delaware—Newcastle, Kent, and Sussex) were allowed to stand as received, all Addicks' efforts to control the Legislature would have been fruitless and his "made dollars" expended for nothing. The ex-flour dealer of Philadelphia was not satisfied to accept the people's sacred verdict. He quickly called his lieutenants together, mapped out a campaign of almost reckless audacity and daring, and assigned his best men to its execution.

The ballot-boxes with their contents were in the sheriff's charge and stored under lock and key in the court-house. The sheriff was an Addicks tool. At midnight he turned over his charge to one of the would-be statesman's trustiest lieutenants, who, with the aid of a lantern and a slip of paper containing the directions, sorted over the legal ballots, threw some out, and put in new ones. When another sun arose the dastardly outrage upon the American elective franchise had been completed, and Addicks was busily scheming to carry out the remainder of the plot. On the declaration which he or one of his associates would make, that there had been fraud in Sussex County, the Government at Washington must send on an investigating committee to whom it would be asserted that the voting lists had been doctored by the Democrats. To prove it the boxes would be opened, the ballots counted, and lo! the villany of the Democrats would be, beyond contradiction, demonstrated.

But the scheme was an Addicks scheme. Had it been the plot of any other man with the brains, the nerve, and the lack of principle to concoct it and set it in motion, inevitably it would have been carried through to the designed conclusion. As it was, this is what happened: The lieutenant who had charge of the actual commission of the crime thoughtlessly chuckled over the details of it with another, and this other "in the presence of witnesses" laughingly congratulated Addicks on his plan's success. What was the astonishment of the group to hear the candidate for the Senate say: "Gentlemen, I could not countenance such a transaction. This is the first I have heard of it, and it is so outrageously criminal that I refuse to allow it to proceed further. There will be no investigation, and if it is a fact that those ballots have been changed in the box, the ones who changed them shall receive no benefit from their nefarious work. I have spoken."

Mind you, every member of the group was a party to the scheme and had been carefully rehearsed in the part assigned him by Addicks himself, but alone, that is, without witnesses; nevertheless so earnest and apparently honest was the man in his protest that for an instant they doubted their senses—until they remembered it was Addicks.

The investigation was never held, and to this day Addicks' lieutenants, especially he who did the midnight

Frenzied Finance

work and who still lives in the peaceful State of Delaware, turn with disgust when Addicks' daring is mentioned.

It should be explained here that, whenever Addicks plans an illegal transaction—one for which he might be made civilly or criminally liable—he invariably coaches each of his accomplices alone, “without witnesses.” And when it becomes necessary in developing the plot to have a confab, at which the several parties to the proceeding must meet, Addicks is most careful to preserve a legal semblance of ignorance of incriminating details. At intervals, when a danger—place in the discussion is approaching, he will get up from his seat and, moving to the door, will say: “Gentlemen, halt right there, until I step out of the room; tap at the door when you are over that bad spot, and I will return.”

Addicks' “Wait until I step out of the room” is as familiar among his coworkers as the “I am going upstairs” is among the “Standard Oil” family.

Try to conjure before your mind's eye a picture of the anomalous character these instances suggest. I'll warrant your mental image as little resembles the original Addicks as Mr. Hyde did Dr. Jekyll in the story. He does not look the part assigned him here, nor any other part for that matter. I saw him coming toward me on State Street one summer day some years ago, a tall, wiry man, in a white-flannel suit, perfect in fit and spotless as snow, wearing a fine Panama hat. This was in the period before Panamas were commonly worn. He was to the life the elegant and luxurious Southern planter of ante-bellum days. Six months afterward in about the same place I saw approaching me a splendid person in rich sable outer garments who looked for all the world like an exiled Russian grand duke. It was Addicks in winter. You will not surprise his secret from that pleasant, rather ambiguous, but square-jawed face, nor from the mouth hidden under a long, drooping, gray, military mustache. His is a good-sized, well-shaped head, you might say, and the gray, shallow eyes that look out at you are almost merry in their glances. But they are inscrutable eyes which seem to have a c h a l l e n g e i n t h e i r g a z e , a s o r t o f “look-me-over-as-long-as-you-like-and-you'll-never-guess-what's-under-the-surface” expression that is baffling and provocative. Yet this sybarite, this daring coward, this stingy prodigal, this sincere hypocrite, this extraordinary blending of contradictory qualities, is the man who from 1887 to 1892 made Boston look like the proverbial country gawk at circus-time.

Power the man certainly has, and of a distinct quality, yet his intimates cannot explain the reason of their obedience to him. After a brief acquaintance he is revealed as the very soul of insincerity—he “works” his friends, he pays toll to his enemies, he frankly shows himself without the sense of moral obligation. I believe his talent resides in his capacity to select the proper type of man to “make rich” in the illicit schemes his abnormal mind conceives. These coworkers of his are of different grades; some have a super-abundance of cash; others a desire to get it—in common are their lack of principle and dearth of brains. Addicks cannot do business long with men of real ability, nor does he understand them, whereas he can read the minds of his ordained victims as if they were an open book. The big men who have encountered or been associated with Addicks are prone to characterize him as a mountebank, a joker, or a chump.

CHAPTER X. ADDICKS COMES TO BOSTON

J. Edward O'Sullivan Addicks was born in Philadelphia in 1841, and was in the eighties plodding along the ordinary, uneventful path of a seller of flour to the people of that city which since the death of William Penn holds the record for the highest and densest percentage of sleep per capita of any English-speaking community.

In the eighties two things happened that changed the whole course of J. Edward O'Sullivan Addicks' life. Some one invented water-gas and "let in" Addicks on the invention; and the Philadelphia branch of the "Standard Oil," represented by Widener, Elkins, and Dolan, "trustified" the gas companies of the city of Chicago, which enabled Addicks to "hold up" the "trustification" until Dolan and Dolan's associates paid him the sum of \$300,000 for the instrument with which he had done the holding up, \$10,000 worth of the stock of one of the necessary Chicago companies.

The law of compensation, which gets in its deadly work on all the prettiest plans of man, but decreed that what goes up must come down when it ceases going up. It has a shrewd trick of grafting sorrows on our joys, and of handicapping success with discomfiting conditions. The favorite of fortune whose feet have fallen in pleasant places sooner or later stubs his toe.

Addicks' first "made dollars" certainly came easy—so easy, indeed, that those who watched his early career marvelled at his success; but nowhere on God's footstool is there to-day a more terrible illustration of the inevitable workings of the law of compensation than the present standing of J. Edward O'Sullivan Addicks affords.

The thief whose first excursion into a wayfarer's pocket is rewarded with the equivalent of days and nights of honest labor will surely be convinced thereafter of the superiority of theft over toil as a means of money-getting. Invariably the manufacturer of "made dollars," after his first coup, forsakes forever after the cold arithmetic of commerce for the rule of guess, dream, hope, and "I will," which constitutes the mathematics of high finance. Addicks' first "made dollars" came with such magical ease that there awoke in his slumbering substitute for a soul a disgust for those prosaic pursuits at which one could never, try how one might, make more than four by the addition of two and two. He probably argued to himself: "Why should I work in the flour business when I know a way of getting overnight more than I can make out of flour in a lifetime? If people are so simple in guarding their savings that I can by a trick take away from them enormous wealth without the slightest danger to my own safety or my profit, even if detected, why should I not devote my life to such healthful and profitable occupation?" The logic of the proposition was convincing. Accepting its conclusions, J. Edward O'Sullivan Addicks, of Philadelphia, embarked on his career. Soon afterward he discovered gas in Boston.

This was in 1887. Equipped with his "made dollars" for capital, his impressive name, sublime effrontery, and a pedigree free from anything suggestive of his new purpose in life, the ex-flour merchant "lit" into our everything-figured-out-ahead-and-every-promise-made-taken-at-par town of Boston. To appreciate the lights and shadows of this event, one should know Boston and, at the same time, Addicks. Every country boy will remember Tom Hood's poem beginning:

I remember, I remember the house where I was born,

With the little lattice window where the sun came peeping in at morn,

and can recall milking-time in July or August when, sitting on the rail-fence surrounding the barn-yard, he watched the pigeons snipping up grain, the old hen scratching up worms for the chicks, the ducks and the drakes and the geese and the ganders proudly waddling back and forth, among and around the fluffy ducklings and goslings, and the bull-pup sound asleep by the side of the tortoise-shell cat. Probably he will think of some particular milking-time when the calm, contented serenity of the barn-yard was suddenly disturbed by the unexpected descent in its midst of a neighboring peacock, who, apparently unconscious of the consternation produced by his entry, proceeded proudly to spread his dazzling plumage to convince every one, from Uncle Cy, on the milking-stool, and mild-eyed Bess, down to the white fan-tailed dove, that he was—It.

Frenzied Finance

Conjure up the picture—the peacock at milking-time in the farm-yard; thus Addicks came to Boston—though it is far from my intention to identify the bucolic background I have drawn with the Hub of the Universe.

Boston, up to this time, had been singularly free from the mushroom variety of millionaire which had sprung up overnight in such numbers in New York and Philadelphia. Proudly defiant of a product so alien to all her traditions, her citizens would have sworn that no votary of modern high finance could exist over one curfew-toll within her gates. For Boston had her own financial eminence, of a character in keeping with the chill conditions of conservatism and rectitude appropriate to the metropolis of the New England conscience. She had her Stock Exchange, her numerous great corporations, her scores of single and multimillionaires, and it was her boast that her capital had played the greatest legitimate part in the country's growth. She had furnished a large percentage of the money which had created our vast Western railway system; she had found and made the superb copper-mines of Michigan and Montana, and in all parts of the land branches of her sturdy institutions were vitally assisting the miracle of America's development. Notwithstanding what these wide-flung enterprises imply of commercial push and audacity, Boston, at the time Addicks discovered gas there, was one of the most trusting wealth-investing communities in the world. She had her simple rules of business conduct which years of usage had consecrated into all-powerful precedent, but her brokers and capitalists, however fearful of all things quick or tricky, had never previously figured as candidates for what in Western parlance are described as “come-ons.”

CHAPTER XI. HOW ADDICKS CAPTURED BOSTON GAS

At the time Addicks "lit" in Boston that city numbered among her proudest possessions several extremely rich gas companies, and they were owned by her "best people." To do business with Boston's "best people" is no easy task, and up to the advent of Addicks, to do business with her "best people" without doing it through others of her "best people" who could absolutely vouch for you was an unheard-of thing. The manner in which the ex-flour merchant of Philadelphia managed to slip by the barriers and into the heart of our blue-blooded citadel affords the most unparalleled example of audacity of which I know.

In many ways Boston is unlike other great American cities. Some of her institutions through antiquity or association have acquired a positive sanctity. Pedigree is important. The average inhabitant spends much of his time watching the grandson of his neighbor's father, to see the old man's characteristics crop out in him. The boy's failures will be remembered against his own offspring fifty years hence. It is a city of long memories and of traditions. In 1887 Boston, as now, consisted largely of her traditions, her blue-glass window-panes and her Somerset Club.

Now the distinction, sanctity, and antiquity of the Somerset Club are quite beyond peradventure. Since Boston has been Boston she has had her Somerset Club, a club distinctively of grandfathers, fathers, and sons. The right to membership in the Somerset Club is as much the inheritance of a Somerset man's son as his name or as the proud title which always will be found affixed to his signature when he reaches man's estate, "of Boston." For a man to get into the Somerset without long years of waiting and intense scrutiny, not only of his own record but of his parents' before him, is a rare event. Yet the name of J. Edward O'Sullivan Addicks was up for full membership, with Boston's picked best for his sponsors, a few days after he "lit." How Addicks got upon the Somerset list Boston will never tell, and the mention of the fact nowadays within the club-house will empty its sideboard instanter.

The campaign of arrangement for the advent of Addicks in Boston was more elaborate, more astute and expensive than was ever organized for exploitation of prima donna or great pianist. For months an advance agent had been preparing the way for his chief's arrival in a blaze of glory. There was talk in the papers and among the financiers about the wonderful water-gas process which enormously enhanced the profits of gas-making, and such rumor was always linked with the name of the brilliant Philadelphia Gas King, for so the press had already dubbed him. A wonder and magic immensely provocative of curiosity were woven about the identity of this J. Edward O'Sullivan Addicks, who it was said might be persuaded to visit Boston to work marvels with the stocks that had been "in the family" long before the present generation could remember. When it was sure that the great man was really coming the agent sought the advice of Boston's best in selecting quarters for him. In the Tudor, a beautiful family hotel adjoining the Somerset Club on Beacon Hill, a magnificent suite of apartments was taken, and though the great man could remain in Boston but a brief space, the furniture, the hangings, and even the carpets were all changed for him.

Eminent financial tricksters have various ways of handling their victims. Some believe that the most skilful mode of attack is the slow, confident, dignified approach which allays the subject's fears by its solemn display of deliberation. Others (and Addicks is of this creed) are persuaded of the superior efficacy of the "rush-in-and-drag-out" method. The subject, they say, "gives up" more and quicker when the hurry call is sounded. It was a winter's day when Addicks "lit" in Boston, and circumstances had arisen, the suave advance agent told various Boston's best, with whom he was in consultation, that would make his chief's stay much briefer than either had anticipated. So when the great man arrived at the club just before dinner, quite an array of important people were congregated there.

Addicks ran the gantlet of the critical glances of as critical a group as you'll find on earth, and the word went round—no one could remember afterward who started it—"Typical Southern gentleman! Breeding sticking out everywhere!" So well had the astute advance agent done his work that a little dinner was arranged on the spot, and Addicks made such rapid progress with these reserved and conservative Bostonians that, by the time coffee was served, conversation had reached the stage where it was natural for him to send the waiter to the coat-room for his bunch of gas papers. The emissary returned bringing the fur overcoat with which

Frenzied Finance

Addicks always envelops himself in chilly weather. Addicks searched the pockets, and, apparently to his surprise, discovered that they did not contain the required documents, but where they should have been he found a small bale of 1,000-dollar government bonds, containing, one of the party said afterward, at least one hundred certificates. "How careless of my secretary!" said Addicks, nonchalantly replacing the packet in the pocket and motioning the waiter to take the overcoat away again.

It was, of course, due to the admirable work of his advance agent that these Monte Cristo effects impressed the cultured little set who would have laughed to scorn such a display on the part of one of their own kind. In Addicks it was the dazzling eccentricity of the wonder-worker, and so excusable; and the free, flash, careless exhibit of wealth made the man's conversation and subsequent demands seem natural. Next morning, in discussing the work of the previous evening with his lieutenant, Addicks delivered himself of the wise remark: "Finance, my boy, like theatricals, is dependent for success on the staging, more even than on the actor. My experience has shown me that men the world over are alike—if you properly surround them, they will hiss at hissing time and clap at applauding time; yes, upon the way you stage your finance plays depends their success." The fact is that by no other method could this scenic artist of finance have set his plans moving so rapidly. The man had calculated to a nicety on the romantic cupidity he aroused.

After dinner, Addicks at once "got down to business": "Gentlemen, my project is as simple as it is feasible and conservative, for I will touch nothing but conservative enterprises. Gentlemen, you have three great gas companies supplying this great city with light, the Boston, Roxbury, and South Boston. They are worth at the present time about five million dollars. I am going to buy them and spend three or four millions more on a new company; then I shall consolidate the four and turn them from coal into water-gas companies, which will sell gas to your people at less than they now pay, and at the same time make a lot of money for you and for myself. What do you say?"

This was certainly quick action. Boston's best was breathless for a minute. Then some one suggested that in so weighty a matter it would be necessary for solicitors to investigate, for the families owning the stock to be consulted and agree before a proper basis could be arrived at on which to dispose of their holdings.

Addicks' genius was equal to the occasion. "I regret, gentlemen, any seeming haste, but this is the situation: I am going to invest fifteen or twenty millions, or perhaps thirty or forty, in city gas properties, and as the project will require quite a bit of financiering, I have got to round it up at once, in time to slip over to London to lay it before my associates, —, —, and —" (naming some of the great English lords of finance), "with whom you, gentlemen, are probably well acquainted. I think you will, after you have given the matter a little thought, agree with me that it would be a mistake to postpone the conversion of these magnificent Boston plants to the water-gas system until after other cities I have in mind are reconstructed. You see we can turn over but one city at a time, the system being new and competent engineers and builders few."

The painful thought took shape in the minds of the distinguished little gathering that if they were not careful, Monte Cristo might actually slip out of their town without working any of the promised golden marvels.

"Just what is your idea, Mr. Addicks, of how this gigantic piece of business could be done?" one asked.

"Simple, simple"—the great Colonel Sellers of eye-water fame never looked more cool and unconcerned when calling attention to the facts, "100,000,000 of people, two eyes each, a bottle of my patent eye-wash for each at a dollar a bottle, and eye-wash made at a net cost of a dime a barrel"—"simple, simple; you name your price, I pay it, and the thing is done."

Some one pointed out that the gas properties were valued very high. That in the Boston, for instance, the par value of each share was \$500—and that it was improbable Mr. Addicks could buy it for less than—than eight hundred.

"Of course, of course; I am not buying gas companies that are not well thought of by their present owners," returned Addicks. "I think you underestimate the value of the Boston Company's stock when you say \$800. Naturally, as a conservative business man I wish to buy as reasonably as possible, but as I know what the future of your company will be under the water-gas change, I consider \$1,000 a share cheap; and if you say so, will take it now—majority, minority and all—at that price."

This was strong talk. In spite of their proverbial frigidness under all conditions, Boston's best began to get

fidgety.

“Indeed,” went on the Monte Cristo from Philadelphia, “I’ll do better than that. On second thought I will give you \$1,200 a share. Think it over and we’ll have another sit-down to-morrow.”

It took Addicks but a few days to trade, for at each sitting the staging was more enticing and the call from his associates in London more insistent. Minor difficulties were magnificently waved away. A number of scions of Boston's best families had good paying positions in the different companies; what would Mr. Addicks do with them?

“Simple, simple,” he replied; “double the time of contract and the salary; no favor to them or you; good men are very hard to get, you know.”

One episode that occurred about this time was allowed to get into print when the stocks and bonds were being floated, by way of showing what a tremendous fellow Addicks was. In a hired hack he had driven up to the club from State Street. A snow-storm was raging. After Addicks had been in the club a few moments word was brought in to him that the driver had found his sable overcoat inside the carriage. Addicks stepped into the vestibule to speak to the driver, and next day it was all over the club-house and through the “Street” that the prodigal Philadelphian, overcome at the thought of the unfortunate driver in his scanty clothing exposed to the cruel storm, had said: “My good man, take that coat as a present from me.”

For the truth of the story I do not vouch, nor for that other which explains that the door-boy who spread this tale of generosity said afterward, when discharged, that Addicks himself had told him what he had done, and at the same time had given him a five-dollar bill. He would have sworn the moment before that he heard Addicks tell the driver to take the coat to his apartments.

Addicks got what he came to Boston for—the Boston, Roxbury, and South Boston Gas companies. He did what he said he would, built a new one, the Bay State of Massachusetts, and turned them all into the Bay State of Delaware, and the Bay State of Delaware turned them out on the public in exchange for their savings to the extent of \$19,000,000 in the form of bonds and stock. Addicks, to use his own language, “cleaned up around \$7,000,000,” and turned to new fields, fields suited to his peculiar genius.

As he looked over the United States he found but one great city which had not already been captured by “Standard Oil” or some of its disciples—Brooklyn, N. Y. To the present day Rogers swears Addicks' only reason for coming to Brooklyn was to hold up the “Standard Oil” “trustification.” Addicks retorts with: “I saw it first.” Whatever the facts, in 1892 Rogers in the midst of tagging the different companies was surprised and angered to find that Addicks had slipped in ahead and had secured one of those necessary to the success of his plan. He quickly served notice on the man from Delaware to “git,” and Addicks, flushed with an unbroken chain of victories, as promptly returned the notice with, scrawled across its face, a variation of Rogers' pet phrase—for it must be remembered Addicks never “cusses”—“I’ll see you in heaven first.”

If there is any one time when Henry H. Rogers is quicker of action than any other, it is when his notice to “git” in a stock deal has been returned with “sass.”

The ink was hardly dry on Addicks' answer before the Master of “Standard Oil” and his hosts were upon him, but not where the Philadelphian looked for them. While he awaited their attack in Brooklyn, N. Y., he received a series of hurry-up calls from his lieutenants in Boston. Rogers had bought the insignificant Brookline Gas Company, which supplied gas to one of the suburbs of Boston. It was only a \$300,000 affair, but it possessed charter rights to come into any and all of the streets of Boston. This was a characteristic “Standard Oil” attack. It came out of a clear sky, and before the public had even a warning of it they were witnessing a war which looked as though it had been years in maturing. Rogers let it become public knowledge that the entire “Standard Oil” forces were to be brought to bear to crush Addicks and that untold millions would, if necessary, be spent in the effort. In reality he had most carefully mapped out a cyclonic campaign which he believed would not call for an expenditure of over \$500,000, and which he was sure would in a few months drive Addicks out of Brooklyn, N. Y., and bring him to his knees in Boston. His fight began in earnest in 1894. Gas in Boston was \$1.25 per thousand cubic feet, and the rate yielded a good profit to the Addicks companies. Rogers served notice that he would parallel with the Brookline Company every pipe of the different Boston companies and would reduce the price of gas to \$1. Simultaneously he attacked the Addicks stocks and bonds in the market, his charters in the Legislature, and took away from him the contracts to supply the municipality of Boston with gas. For a time Addicks struck back savagely. Then, as the

Frenzied Finance

fight became hotter, he gave it up in Brooklyn, and concentrated all his resources on repelling the savage inroads Rogers was making in Boston. By this time the contest had grown to such proportions and so much bad blood had been engendered that Rogers declined to be mollified by Addicks' surrender in Brooklyn and refused to retire from Boston unless Addicks repaid "Standard Oil's" entire outlay and got down on his knees in public—a demand that called forth one of Addicks' sardonic smiles.

Addicks had at this time additional difficulties to face. He had spread out his financial commitments, and now he found his stocks and bonds all declining. It was obvious to State and Wall streets that Rogers was in a fair way to drive the buccaneer from Philadelphia to the wall.

It is at this stage that I come into the story.

CHAPTER XII. STOCK-BROKERS NOT ALL BAD

Right here, before plunging deeper into the current of events which led to the organization of Amalgamated—for what has gone before is only that which I deem necessary setting for the story, necessary in order that my readers may clearly take in its meaning—it is only fair to them and to myself for me to say that my life has been spent in the stock-market for the purpose of gain. I have never in my stock operations set myself up for a philanthropist nor in any way posed as a reformer, nor pretended to be a bit better than the business I had chosen for a livelihood. From the first day until now I have endeavored to keep strictly to the principle that I would never knowingly deceive any man, woman, or child who, out of confidence in me, risked their money in speculation or investment. At the same time it should be remembered that the stock-brokerage business often makes queer bedfellows. Moreover, the true stock-operator is sometimes tempted to buckle on his armor and get into an exciting fight solely for the combat's sake, and then he may not be over-concerned about the rights and wrongs of the contention, if upon both sides are lined up professional captains of finance. The minister, the college professor, the dry-goods merchant, may exclaim against this, but they have never known the delicious tingle which, since the abolition of the tournaments of old, can be felt only on the great financial battlefields. If the critics of the stock-gambler could be put through a single minute of a thousand I have known they would be less brash in their denunciations. And let it be remembered that in these terrific dollar-wars there is as much opportunity for heroism, for generosity, for kindly deeds, as ever physical fighting affords. I read here in the papers of the noble act of a captain in the navy who has taken his life in his hands; in another place of a rich man who has given a million to create a charity. On the same page that these men are eulogized I will find references to “Jim Keene, the stock-gambler,” etc., “heartless, soulless stock-sharp,” etc. “Jim Keene, Stock-gambler,” keeps no press agent to flaunt his kindly acts, but from the noble things I know he has done, and the things others with whom I am personally acquainted know he has done—men, women, and children saved from misery, pain, and death, at the risk of ruin to himself—I'll warrant the celestial scroll shows to his record as many deeds of mercy and noble daring as are credited to any soldier or philanthropist who has achieved worldly fame in recent years.

The desire for sudden wealth is strong in all parts of our American community. Men want money, and women too, for a score of reasons—some good, some bad—and the stock-market is the magical place where miracles occur and dollars multiply themselves overnight. The agent for all the cupidity of the world is the stock-broker, and he sees life from a strange angle.

Hundreds of letters come to me daily from all kinds of people, who have no other call upon me than their belief that, having at some previous time profitably followed my advice or advice credited to me, they have a right, when “the papers say” I am doing or going to do this, that, or the other thing in stocks, to come to me with their troubles. In 1899 there reached me from a woman a picture of her husband, herself, her three children, and the aged father and mother of her husband. I wish I might print it, but I dare not through fear that they would be recognized. The letter accompanying it was one of the most touchingly pathetic I have ever read. I investigated the case. The statements made were absolutely true. The woman's husband was the cashier of one of the small national banks in one of the old towns in a New England State. His father's brother had been cashier before him. The family's past was thickly strewn with all those simple honors and good things which are so often the heritage of families of the old, self-respecting, God-fearing, middle-class communities of New England and like long-settled sections of the country. On his death-bed the uncle confessed that for years he had carried upon the books of the bank a shortage which had arisen from mistakes. Her husband, to keep the family's name from stain, had continued to keep this buried, which was an easy thing to do, as when he was moved up from teller to cashier at his uncle's death the two positions were combined into one. The wife explained that her husband had let her into the fearful secret, and together they had carried it until it had eaten its way into their hearts. At last the man could no longer stand the strain. He had followed my printed sayings about the market, and now had made the fatal plunge. He had bought upon margin 2,000 shares of Sugar stock to see if it were not possible to make up quickly a shortage of over \$20,000, because I had said Sugar was going right up; and then horror of worse than death had seized the wife and she had given

Frenzied Finance

me the awful secret, and a description, a word picture of what would happen if I had made a mistake.

She could go no further. She did not need to. I read the letter. I saw the picture, and even I, who believed myself from long years of experience with such affairs immune—I, too, became horror-stricken. It was no affair of mine. I had not said Sugar was going up; as is often the case, some newspaper had printed what another operator had said and credited it to me. I was not even operating in Sugar, nor at the time particularly interested in it. I could not return the letter nor have any communication with these persons without in a way becoming their accomplice. The woman had said that with the purchase her husband had given orders to sell the stocks at twelve points' rise.

Try as I might to look at the matter in a cold-blooded business way the picture haunted me—the old gentleman proud of his family's long record of sturdy honesty, the old mother's faith in her boy, the wife seeing on each of her children the brand of a felon father, and the husband watching each day's market prices to see whether they had brought him a verdict which meant State's prison or permanent relief from the haunting fear which had become his never-absent shadow; and I read and reread the closing lines of the faithful wife: "Mr. Lawson, you will put Sugar up?—you surely will, just this once—and we will teach the children to pray for you and yours, and God answers this kind of prayers, you know He does."

The picture haunted me; I saw it in the market prices; I heard the story in each tick of the ticker and each rustle of the tape; and every time my eye caught "SUG," the stock-exchange abbreviation for Sugar, I winced, as one does at the dentist's probe—well, I could not stand it. I determined to put up Sugar—that is, I determined to try. Little the woman knew what she asked when she wrote: "You will put up Sugar?" She had read that a stock operator works magic, but it had never entered her head that his wand was a stick of dynamite a thousand times concentrated—a stick of dynamite that the law of stock-market averages shows goes off in his hand nine out of every ten times it is handled, and that when it goes off there is nothing more for the handler but the minister, the flowers, and the head-stone; indeed, often the explosion leaves nothing with which to buy even a head-stone! Little she thought that it might strain the wealth of the Bank of England to move Sugar up twelve points. I moved it up, and it went so easy—oh, so easy! that—well, I will let the first description I pick from my scrap-book from among a hundred from the daily press tell the story:

[From the *Boston Journal*, March 17, 1899]

LAWSON'S LUMP

HIS COFFEE SWEETENED WITH QUARTER OF A MILLION—MADE IT IN SUGAR THURSDAY IN TWO HOURS' TRADING

A quarter of a million in a day!

That was Thomas W. Lawson's record for March 16, 1899.

The celebrated "Unthroned King of State Street" was on top of the Sugar market; that is the reason of it all.

Sugar was the big card of stock speculation yesterday.

Indeed, the stock had one of the wildest days in its history, and its high price—\$170—reached amid great excitement—is the highest on record. The speculation was something tremendous, and it has been through the speculation that the people who have been under the impression that the markets were drifting into a dull and uninteresting condition have had a sudden awakening.

From the opening it quickly advanced to 149, receded a point or more, and shortly after noon started sharply upward. The demand for it came so rapidly that the tape could not keep up with it, and the excitement grew as the demand increased. The scenes on the floors of both the New York and local boards were most exciting. Blocks of 500 and 1,000 shares changed hands frequently, and at one time the quotation in the Boston market was fully four points behind that of the New York list. The small army of shorts scrambled to get

Frenzied Finance

covered up, and everybody was in a fever of wild excitement over the marvellous movement. Before it had culminated the price reached 170, or a gain of twenty-nine points over the opening—the most remarkable display of strength in so short a period of time that this remarkable stock has ever shown.

Broker Lawson did the buying, and while the excitement was running high he bought freely. He had taken 20,000 shares all told before the advance had fairly gotten under way at from 143-1/2 to 144. At 170 he gave an order to sell 20,000 shares at a limit of 155, and obtained an average of over 160, thereby netting an estimated snug profit of \$250,000 or more within two hours. Asked as to whether the strength in Sugar meant a settlement of the Sugar war, Mr. Lawson smiled and said: "There has never been any Sugar war."

The conservative people on the Street are disposed to regard the whole movement as a piece of clever manipulation.

* * * * *

[From the *Boston Herald*, March 16, 1899]

Mr. Thomas W. Lawson was the mover in the deal, and his orders for 20,000 shares early in the day excited other buying, which encompassed the astonishing rise. What point Mr. Lawson had to trade upon is his own asset, if he had any point, and it would not matter so far as the event was concerned whether he had a point. The market was in a position to respond to orders of these dimensions, and it did respond.

* * * * *

[From the *New York Journal*, March 17, 1899]

The frenzied brokers fought like madmen around the Sugar post. The wildest sort of excitement prevailed throughout the day. The rest of the floor was practically abandoned, and brokers crowded, pushed, elbowed, and yelled frantically in their efforts to fill orders. There was no warning. The sudden jump of the stock almost threw the brokers into a panic. Men became ferocious in their efforts to fill orders. Those on the outside made wild rushes to get into the whirlpool. Men who are generally calm fell over each other in their excitement. Scores of arms whipped the air, and men yelled themselves hoarse. So great was the din and so compact the yelling crowd that those on one side of the post did not know the bidding on the other. At one point Sugar was going at 159, and five feet away it was bringing 164. While almost at arm's-length farther away it was going at 160, and farther around the post at 162.

The excitement became general among the offices of stock-brokers as the news flew on the ticker. Members of firms who were not on the floor gathered about the tickers in excited groups and watched the pyrotechnic fluctuations of Sugar to the exclusion of all other stocks. The quotations came out at two and three points apart. One minute the stock was away up, and the next it seemed to fall

Frenzied Finance

hopelessly. Then it would as suddenly soar upward again. It reached 170, and in five minutes it was down to 152.

* * * * *

[From the *Boston Post*, March 22, 1899]

Late in the afternoon Mr. Lawson was induced to give the following explanation of his movements in Sugar: "You know it is not conducive to the health of an active operator to talk on what he is doing, for if he expects to retain his hirsute adornment he must either keep jumping so lively that none of the expert scalpers who haunt the jungles of Wall Street can find him long enough in one spot to cut the floor from under him, or he must envelop himself in mystery so dense that all seeking for him will grow color-blind; but on this particular commodity—Sugar—I can depart from the standard formula.

"I have been twenty-nine years dodging the scalping-knives of Wall Street Comanches, and, although I am still here, I have many places on my head where the hair refuses to grow, and, strange to tell, almost all the bare spots are labelled 'Sugar.' I suppose that I have, during the past ten years, contributed money enough to Sugar to endow a fair-sized asylum for tailless bears. It has never seemed to matter whether I bought or sold, went long or short, the dollars which I secured by the employment of pick and shovel, brawn, muscle or gray matter, all seemed to follow one another into the relentless maw of that modern Saccharine Titanotherium.

"Way back in 1890 I invested the profits of my Lamson deal—\$700,000—in 10,000 Sugar at 84, and in a few days, amid brilliant fireworks, I bade it adieu, when it gracefully dropped below 50. Again, four years ago, I decided I could make no better long-time investment of \$700,000 or \$800,000 Electric profits than to short Sugar from 61 to 70. In eleven days it took \$1,500 more than my profits to even up my accounts.

"Thinking these things over of late, I determined to make a final demand on astute and relentless Wall Street for my accumulated deposits—a kind of please-give-me-back-my-losses demand. I carefully loaded up two weeks ago to the extent of 20,000 Sugar in the thirties, and feeling the atmosphere was redolent of opportunities, last Friday I bought 20,000 more, the last 5,000 of which in a rather open and frank way that seemed but fair to my scalping New York friends. Well, you know the rest. It took fire. I cleaned up something over \$700,000, and put out a short line of 30,000 shares, the last of which I have covered to-day at something over \$350,000 profit. Strange as it may seem, I was quit. I have struck a balance with Sugar, and it gets no more of my money.

"I am one of the few Bostonians who are contented to live in the knowledge that Wall Street is too big and bright and cute a metropolitan centre for country boys to monkey with,

and you can say I am so tickled to get back my bait that I will never again, never, wander away from home. There is one moral that may be drawn by Wall and State streets from the last few days in Sugar. It is this: It is not necessary to-day, any more than it was in old days, to work deals with false stories or fakes. In doing what I did in Sugar I depended on no fakes nor stories. I simply followed Charley Osborne's old admonition: 'If you want to bull stocks, buy 'em. If you want to bear 'em, sell 'em.' I bought 'em and I sold 'em. These are Sugar facts as far as my movements have affected them!"

For years after, even up to to-day, this yarn turned up in the press in different parts of the world, and every time I read it I chuckled to myself, for I see a big manly fellow, president of a bank now and asking no odds of any, for he can buy 2,000 shares of Sugar at any time and draw his check to pay for it against a bank account honestly earned since the day his wife wrote that letter.

And I see a grateful mother teaching three youths to say a certain prayer, and then I forget the critics' scathing sermons against stock gamblers. It does not pain me when my own children ask, "Why do they say such awful things about the stock operator?" I answer: "Oh, they mean no harm; they don't know the stock gambler they write about."

ONE OF THE SYSTEM'S SHADOWS

That my readers may not drop this chapter with a false idea of the results of the stock-broker's efforts to "live and let live," I will give them an illustration of one of the counterbalances of the law of compensations.

In the same year with the Sugar transaction, in an evil moment my mail brought me the following letter:

Dear Sir: I have read with interest your proclamations about "Coppers." I am not a rich man, but I have about \$20,000 lying idle which I should like to add to, and will put it into anything you advise.

The writer received the following answer from my secretary:

Mr. Lawson instructs me to say he received your letter of —and he knows no better investment than the stock of the Amalgamated Copper Company, which will be offered for public subscription next week. In the advertising which will accompany the offer you will note that it is to pay 8 per cent., is now earning 16, and should sell at \$150 or \$200 per share. It will be offered at par. Not only does Mr. Lawson personally believe in every word in the advertisements, but they are vouched for by such men and institutions as the National City Bank of New York, Henry H. Rogers, William Rockefeller and others, whose names are synonymous with success in business affairs. Mr. Lawson does not hesitate to advise you to invest your \$20,000 in this stock, provided you are not looking for an investment that is absolutely safe, that is, one that should not, in these times, pay you over 3-3/4 or 4 per cent.; but if you are looking for a semi-speculative investment, that is, one that will pay you over 6 per cent., and where the chances are good for large profits, he recommends this stock.

Later I received the following:

Upon your advice I purchased 200 shares of the Amalgamated stock at \$100 per share. When the stock dropped to 80, remembering your strong advice I purchased 300 shares more,

Frenzied Finance

and after it had advanced to 120, thinking it was surely going to the 150 or 200 you mentioned, I bought 1,000, putting up my 500 shares as margin. It has now dropped back to 100, and the many stories I read in the papers are causing me much anxiety. Do you still believe as you first wrote me?

To which he received the following answer:

Mr. Lawson instructs me to say he received yours of ——. His faith in the Amalgamated property, the men who control and manage it, and the stock is the same as it always has been. He, like yourself, added to his holdings at 120, and as high as 129, and knowing what he does about the property, and what the men who control and manage it, and with whom he is intimately associated, say to him, he cannot believe the yarns which are appearing in the press are other than the vaporings of those stock-market critics who must write their opinions of prominent stocks even though they have no means of actually knowing anything about them.

While Mr. Lawson regrets that you have spread yourself out, as you say in your letter, he can only answer your question by the above, to wit, his faith in Amalgamated is the same as from the beginning.

Later I received the following from one of the penal institutions of the country:

You will observe by the postmark on this letter my present place of residence. You probably knew that before, as the press has had much to say about me of late.

I trust you and your associates are satisfied with yourselves when you observe the hell you have caused others. When I first wrote you about the Amalgamated stock I was an honest, prosperous man. I had never committed a crime nor done any great wrong to my fellow-beings. Relying upon what you said publicly and the well-known record of the Rockefellers and their partners, I committed acts which I now know to my everlasting sorrow I should not have committed. I had no intention of doing wrong, but when I saw ruin staring me in the face I used, as I supposed only temporarily, funds intrusted to me to protect my stocks from being slaughtered at declining prices by the sharks of brokers whom I dealt with. The rest is the old story. My wife and children are disgraced and oppressed with poverty, and I am serving a five years' sentence in this institution, buoyed up only with the hope that I may live to face you and your kind, that you may have the pleasure of seeing the wreck you have wrought—in the hope that I may satisfy a desire which night and day gnaws at my very soul, a desire to say to you, face to face: "Look upon a man who, although a branded criminal, is as much better than you and your associates as it is possible for one to be," and to ask you how your wife and your children enjoy the luxuries they have when they know at what price they were secured, for I shall surely, if I live, insist upon your wife and children

Frenzied Finance

hearing from my lips what agonies a wife and children, who are as dear to me as yours are to you, have suffered because of your baseness.

CHAPTER XIII. THE "SYSTEM" VERSUS WESTINGHOUSE

In 1894 I had just wound up one of the most strenuous and successful financial campaigns I ever engaged in. This was the Westinghouse deal, of which the papers were full at the time. George Westinghouse, to whom the world owes the air-brake and countless improvements in electrical machinery, having surmounted the difficulties that clog the early steps of the inventor who would be his own master, had taken rank, some years before, among the prominent public figures of the day. The various corporations in America bearing his name had prospered amazingly; his ingenious appliances had displaced home products in the European market; and titles and decorations had been conferred on the inventor, though these last, like the sturdy American he is, Westinghouse had put aside.

This great success was wholly the fruit of George Westinghouse's personal endeavor. It owed nothing to extraneous influences. It had been accomplished along those manly, independent, Yankee lines which have made that name synonymous with hustle and success in every part of the civilized world. Above all, the man had organized and developed his companies without the aid of the "System" or without truckling to its votaries. In consequence he had incurred the deadly hatred of some of its lords paramount.

In the business world Westinghouse's great rival was the General Electric Company. To mention "Westinghouse" and "General Electric" in the same breath was to speak of a thing and its antithesis. Everything George Westinghouse was or had been the General Electric was not and had never been. The General Electric had been and was by leave of the "System"; in fact, was one of the very foremost examples of its methods. Its high-priest was J. Pierpont Morgan; its home, Wall Street; its owners, the principal votaries of the "System." It had grown because of their favor and by means of the rankest exhibitions of knock-down-and-drag-out methods of consolidation of all competitors but—Westinghouse.

Just previous to 1894 Westinghouse had rejected a dazzling scheme of uniting the two institutions on an immense capitalization which would have absorbed millions and millions of the people's savings and earned millions in commissions for its projectors. Wall Street's indignation at his hardihood knew no bounds, and at the time of which I write the yegg-men of the "System" were laying for him with dark-lantern and sand-bag.

To appreciate the story of what the "System" tried to do to George Westinghouse and what he withstood, one must know the man. He embodies in many ways the conception of what the ideal American should be. His remarkable six feet and odd of physique and his fertile, powerful brain are the admiration of all true men with whom he comes in contact. In spite of his unparalleled success and the accumulation of a great fortune, he retains the same simplicity of manner and conduct that characterized him when working at the bench for weekly wages, and with all his shrewdness and force of character he has preserved a simple, honest, childlike belief in humanity. Single-handed he conducted all his great enterprises on a plain, patriarchal basis, using their revenues for extensions, and depending on his faithful and well-satisfied stockholders for such further accessions of capital as the business might in his judgment need. About the time General Electric was most anxious to bolster up its jerry-built structure with the solid Westinghouse concern, the latter institution had begun the erection of some big new plants which required immediately several millions additional capital. Westinghouse prepared to apply to his stockholders for the required funds, and the announcement was to be made at the annual election soon due. Suddenly the financial sky became overcast. The stock-market grew panicky and money as scare in Wall Street as rain in Arizona in May. It was just such a situation as the "System" might have brought about to accomplish its fell designs had it possessed the power to work miracles.

And the "System" took care of its advantage. At a tense moment in that soul and nerve trying period, with Wall and State streets full of talk about General Electric's probable absorption of Westinghouse, General Electric being then at its highest price, \$119 per share, the Westinghouse companies held their annual meetings and the big inventor, confidently facing his stockholders, quite regardless of conditions which he thought could have no possible bearing on his concern's splendid prospects, came forward with his demand for the millions required to complete the projects already under way. This was the signal. From all the stock-market sub-cellars and rat-holes of State, Broad, and Wall streets crept those wriggling, slimy snakes

Frenzied Finance

of bastard rumors which, seemingly fatherless and motherless, have in reality multi-parents who beget them with a devilry of intention: "George Westinghouse had mismanaged his companies"; "George Westinghouse, because of gross extravagance, had spread himself and his companies until they were involved beyond extrication unless by consolidation with General Electric"; these and many more seeped through the financial haunts of Boston, Philadelphia, and New York, and kept hot the wires into every financial centre in America and Europe, where aid must be sought to relieve the crisis. There came a crash in Westinghouse stocks, and their price melted. From amidst the thunder and lowering clouds emerged the "System." "Notwithstanding the black eye the name of everything Westinghouse had received, it would stand by and consolidate and save the day!" But the "System" and its everything-gauged-by-machinery votaries had reckoned without their host. George Westinghouse was too strong a man to be thus easily shaken down. He threw back his mighty shoulders, shook his big head, and flung his great private fortune into the market to stay the falling prices of his securities. The movement was too strong against him at the moment, and his millions were but a temporary help. He got on the firing-line himself and did a thousand and one things that only a brave, honest, and democratic Yankee would or could do—everything but accept the cunning aid offered him by the "System" or its votaries. He knew too well that the friendly mask concealed a foe and that the kid-gloved hand extended him had a dagger up its sleeve.

These were the conditions when I, as an expert in stock-market affairs, was called in for assistance. Here was this sound, sturdy institution standing for everything that was best and self-supporting in American finance adrift on the Wall Street shoals, and it seemed almost a hopeless task to attempt its rescue. But it was a task eminently worth while, and I undertook it with all the energy I could command.

The problem was to restore the Westinghouse stocks to their former high price, and, confidence being re-established, to sell the new treasury stock at such a figure as would pay for the plants and other projects the company had under way. The completion of these meant greatly increased earnings and such an advance in facilities and economy of manufacture as would surely seal the fate of General Electric if it competed with Westinghouse under the new conditions. Small wonder "Standard Oil's" whole strength was bent to force the alliance.

My fight had hardly begun when I saw it was to be opposed by all the forces of General Electric and the "System," and I concluded defeat was sure unless by a counter movement on their stock I could keep them so busy that they would have no time to interfere with Westinghouse. Thereupon I laid out that attack on everything connected with General Electric which created so much consternation at the time. To this day, if my enemies are asked to name the act which most conclusively justifies their hatred of me, they will point to my terrible General Electric raid. They will tell you I broke the stock from 118 to 56 in a day, and thereby caused one of our most disastrous panics; that I continued to hammer it to 20, that I compelled reorganization, and then did not let up. They will show you that the misery and ruin I wrought were beyond calculation. I will only say that, of any of the things I am proud of having done, I am proudest of what I did in General Electric, and, willingly, I would give over five years of my life to go through the experience again.

It was a most arduous campaign, and our fate trembled many times in the balance. By dint of hard, overtime work, and what my enemies were pleased to call rank manipulation, we drove Westinghouse stock back to its former price, after which a strong syndicate was formed to take the new stock, and the righted institution at once magnificently swept on its international career which to-day is at its height.

Though I had taken up the Westinghouse cause as a business venture and its successful termination was most profitable to me, I had entered into the campaign with the ardor of a lawyer defending a client unjustly accused of a heinous crime. But there was this difference—if in spite of his efforts the lawyer fails to convince the jury of his client's innocence it means no detriment to his fortune or his reputation, whereas all I had and was were involved in this stock-exchange struggle. The great rewards that are the guerdon of success in financial fights are balanced by the terrific consequences of defeat. The broker general engaged in surrounding his enemy requires every dollar he and his principals can pledge or beg, and where great forces are in conflict millions are burnt up to seize any vantage, as Kuroki sacrifices a regiment to gain a hill. I had won for myself as well as for Westinghouse, but if the fortunes of the war had been on the other side, I must certainly have been wiped out.

CHAPTER XIV. THE ALLIANCE WITH ADDICKS

It was part of my method of conducting my stock-brokerage business to expose through the medium of the press or through market letters the stocks of corporations I thought rotten. It was also my way to work up bull campaigns in stocks that seemed to be selling for less than they were worth. With Addicks or the "Standard Oil" I had no connection. I had watched the Philadelphian's operations and had my eye marketwise on his bonds and stock, particularly on his stock, which was 100,000 shares of the Bay State Gas Company of Delaware, of a par value of fifty dollars each, and which became very active in the market shortly after it was created, at just under par. I thought I saw in the scheme the ordinary, cold-blooded, stock-jobbing, unloading-on-the-public affair. I had heard recounted the man's wonderful doings, particularly his recklessness in the purchase of the Boston companies; I "sized up" his mighty effort to be the tremendously rich good fellow as inspired by the idea and the purpose of giving his "stuff" in the stock-market a good send-off; and from the start I had put his property on my "to-be-watched memoranda" as one I might at the proper time let daylight into.

I was tearing large strips from its values when Addicks' bankers, who happened to be business friends of mine, sought to enlist me on their side of the gas war. I remember expressing frankly my opinion about the contestants and their contest at the time, stating that so far as morality, fairness, or justice went I could see little to choose between Addicks and "Standard Oil." I continued to "bear" the stock until one day my banker friends brought me an earnest request from the Delaware financier that I go to New York and talk things over with him.

On reaching New York—the two bankers and myself—we went directly to Addicks' apartments at the Imperial Hotel. Although the fortunes of war were rapidly crumbling this worthy's brilliant financial structure, there were as yet no outward signs of disintegration. His beautiful estate at Claymont, Del., his stock farm in the same State, his town-house in Philadelphia, his \$30,000 apartments in the Knickerbocker on Fifth Avenue in New York, and the superbly furnished suite in the Imperial, close by, all seemed to testify to the man's boundless prosperity.

Memorable though this meeting was destined to be to both of us, my chief sensation in approaching it was a certain curiosity as to the personality of Addicks, whom I had seen, but had never spoken to. I knew him to a "T" in my mind, but here was my opportunity to compare my mental "sizing-up" with the real man. The apartment into which we were ushered was of the low-burning-red-light, Turkish pattern. Addicks rose from a great divan disturbing a pose which his white cricket-cloth suit and the scarlet shadows made so stagy that I guessed it was for my benefit. I looked him over, and he returned the inspection. After the introduction he at once unlimbered his business gun.

"Let's get right down to business, Lawson," he began. "I wanted to meet you to see if we could get together on any satisfactory basis."

I told him that that was my understanding of our meeting. Then he wanted assurances that I had no connections with "Standard Oil" and that I was free, sentimentally and commercially, to enlist in his fight. I replied that I was a stock-broker and operator, and was looking for opportunities; no one had strings on me, and provided he made satisfactory terms I was free to join him; further, that when it came to enlisting in a fight between two such financiers as Addicks and Rogers, sentiment seemed to me out of place.

"That's right," he said. "That's what I like to hear. Now, Lawson, will you take this fight of mine against 'Standard Oil'?"

"If you meet my terms, yes."

Addicks looked at me. "What do you want?" he asked. "Perhaps, though, you'd first like to have me tell you how my affairs stand."

"I know sufficiently where you stand," I replied, "to name my terms right now. If they are acceptable, I'll hear you tell where you stand afterward. I'll take your fight for a cash commission of \$250,000 and a cash capital of \$1,000,000, to be used in the market on joint account, we to divide the profits of all operations."

Addicks smiled. "You are too high," he said. "I'll pay you \$50,000 commission and give you \$250,000

Frenzied Finance

capital, and after I show you in what good shape my fight now is and how near I am to victory, you'll agree that the terms I offer are good pay and fair."

"Mr. Addicks," said I, "I have just time to get dinner, look in at the theatre, and catch the midnight back to Boston. It is my business to keep posted on such scimmages as you are engaged in. If you and your affairs are where I believe they are, the terms I offer are exceptionally low. If your affairs are as you would have me believe, you need no one to captain your fight."

Addicks asked where I thought his affairs stood, and I answered: "I don't think—I know, or, at least, I feel quite sure I do. You are at the end of your rope and are practically bankrupt."

At once Addicks grew indignant. "You are absolutely wrong," he asserted. "I'll admit I have had a hard fight, and that it has cost me, so far, considerable money; but I give you my word I'm worth between six and seven millions clear and clean right now."

I bade him good-night and left. Our interview had consumed not over twenty to twenty-five minutes. I said to his bankers:

"Addicks is the Addicks I have sized him up to be, only worse."

We got back to Boston next morning, and at the opening of the Stock Exchange I sailed into the Bay State stock in earnest, for I felt surer than before that Addicks was nearing his finish. A few minutes after the Exchange opened, Addicks' banker rushed into my office and said the Delaware financier begged that I would return to New York at once, and whispered to me that in a conversation just held on the telephone Addicks had stated that he would accept my terms. I informed the banker I was not anxious for the job, but as he urged his own interest, I jumped on the noon train and in the evening was again in New York.

It was a warm day and I was pleased to get a wire on the train from Addicks asking me to meet him at the pier, as we should hold our conference on his yacht, the *Now-Then*, at that time one of the fastest steam-yachts afloat.

It was a night of memorable beauty. In the golden light of a dazzling sunset we flew up the majestic Hudson. From under the awning I watched the serried edges of the Palisades as we slipped swiftly by them to the broad reaches of tinted waters above Yonkers. Every natural influence conspired to make acute to me the warning whisper of my soul, which flashed the caution as I crossed the gang-plank, "Watch out!" But, as I said before, Fate hangs no red lights at the cross-roads of a man's career, and I plunged recklessly into the toils my Mephistophelian companion so artfully wove around me.

The *Now-Then* was hardly in mid-stream before Addicks had got down to business. His demeanor had changed since the previous evening. All his bravado had disappeared; he was simple, frank, direct, and, in the manner of one who has made a mistake and regrets it, he commenced without any delay:

"I didn't think last night I'd pay your price, Lawson. It staggered me a bit, but I gave it considerable thought after you left, and when this morning's prices showed me you were again on the war-path, I saw my error."

"Mr. Addicks," said I, "let's have no fooling about this matter. If we do business together, it will only be after there is some plain—brutally plain talk between us. It will do no good to trick, because some one will get slaughtered when the trickery is discovered, as it surely would be, after we hitched up together."

Then, straight from the shoulder, free from all attempt to gloss over the raw truth, I detailed to him the things I knew he had done to his former associates, and it was a tale of unbroken duplicity and double-dealing on his part, loss and misery for his lieutenants, and profits and curses for him. I ended by saying: "If we get together, Addicks, it will be upon my terms, and I'll see to it that you never put me in the position in which you have put all the others you've been connected with. I don't trust you and I'll watch you all the time."

When I had finished Addicks looked at me sadly with a wounded, "how-this-man-has misjudged-me" expression in his eyes.

"Lawson," he said, "you were never more mistaken in your life, but it's a matter I don't want to argue about. You'll tell me you were all wrong after you know me better. I'll do business with you—yes, and I'll allow you to make your own terms. I'll agree to them whatever they are, and I'll live up to the very letter of them, however hard."

I may mention that it is a peculiar characteristic of Addicks that one may talk to him as though he were a pick-pocket, and he will not resent it, if it is "business." Where H. H. Rogers would flash into a Vesuvius of

Frenzied Finance

wrath, the Delaware statesman only smiles.

Addicks by no means convinced me of his sincerity. I decided I would test him pretty thoroughly before I went further. So I said: “This seems the proper time for a clean statement from you as to just where you and your companies stand.”

I did not believe this man could make an absolutely truthful statement on any subject of importance, but I knew enough of his real position to protect me from being fooled. What was my surprise, therefore, when in the most open way possible he calmly spread before me a condition of affairs far worse than the worst I knew. He was, indeed, bankrupt and his corporation was in little better shape.

As soon as I could catch my breath I said:

“No wonder you refused my proposition last night. If your bankers had dreamed of this state of affairs, they would have had a receiver to-day. You cannot meet my terms. You cannot even carry out the ones you yourself offered.”

Addicks leaned back on the cushions of his chair in the easiest, most *insouciant* way imaginable. He grinned. “That’s true,” he replied, “but I never give up a ship till I feel her bump the bottom, and I am sure that, bad as things are, you and I can pull them out and whip Rogers to a standstill.”

It was a remarkable situation. Here was one of the most ruthless financial schemers of the age cornered for slaughter, and he had put himself absolutely at the mercy of the man who had bitterly fought him and whom he knew hated his kind. Yet he was as cool and collected as a bunch of orange blossoms at a winter’s wedding.

The man’s supreme nerve astounded me, yet I could not help admiring him. I saw through his game, yet his assurance fascinated me. I thought a minute. I said to him: “Addicks, I’m really sorry for you, and I’ll promise you here now to keep what you’ve told me sacred. What’s more, I’ll stop fighting you. I’ll cover my shares and without doing any one any harm I’ll help make prices a bit better for your securities.”

He smiled, said “Thank you!” and continued looking at me as though he awaited something further, a quizzical, expectant smile on his face.

There was an interval of silence. Finally I said to him—and there were neither red lights nor warning intuitions to signal my peril: “Just what do you expect me to do, Mr. Addicks?”

“Whatever you think best,” he replied in a mild tone. Then, rousing himself a bit, he went on: “They say in the market that you like a fight and the harder it is the better. Well, I certainly have an uphill fight. Do as you would have the other fellow do to you.”

After that I had no further doubts of Addicks’ slickness. I said to him: “You are certainly the shrewd man they describe you as. Now continue to be frank long enough to answer this one question: Did you figure this out as the last card to throw at me, knowing that the very desperation of the case might warm me up and tempt me to tackle it for the sake of the fight there’s in it?”

Instantly Addicks knew his game was won. He straightened up and was the able, shrewd, and cunning financier who had tricked conservative Boston. His facts chased his figures in marvellously rapid succession, and he showed a knowledge of conditions, relations, and corporation tricks that dazzled me. For an hour he rushed on, and when at last he came to a stop I said to him:

“It’s unnecessary to say any more. I see the situation as you would have me see it, and it comes to this: If I refuse to link up with you it means another ‘Standard Oil’ victory and another wreck for Boston. Rogers’ success means that New England speculators and investors will again, for the three hundred and thirty-third time, be robbed of their savings. If I get in, we may either avert all this or I may be ground up at the same time you are. However, it’s too good a fight to miss, and so here goes. I’ll link up.”

At some particularly hazardous halting-place in after-years Addicks and myself have often laughed as we have talked over that August evening on the *Now-Then*. I was easy, he asserts, and I must admit that he is right—I was easy. Yet no one knew Addicks better than I did then. Looking back along his extraordinary career, one is obliged to allow a certain magic as a factor in his men-and-dollar tussles. We had absolutely nothing in common, Addicks and I. We thought and felt differently about every relationship of life. A dozen other ventures, sure, easy, and promising infinitely greater profits, were ready at my hand—but he appealed to my sense of adventure, he promised me abundant and glorious fighting, and I forgot everything else and went with him.

When the *Now-Then* touched her pier and I stepped ashore, it was as captain of Addicks’ corporation and

Frenzied Finance

stock-market forces, with absolute power to wage war, make peace, and use in whatever way I thought best such resources of his as I could lay hands on. I lost no time. Within forty-eight hours of my return to Boston I had mapped out my campaign, reconstructed Addicks' broken lines, and gayly set forth on about as forlorn a hope as ever operator or fighter tackled.

Nothing more desperate could be imagined than the condition of the Delaware financier's affairs when I assumed control. All the resources of his companies were pledged for loans, and the constantly falling prices of his securities, coupled with the discrediting stories Rogers' agents kept in circulation, made it difficult to keep these going. To pay would mean ruin, for Addicks had no further thing of value to pledge. At the same time, Rogers' company, which had now paralleled many of the Bay State Company's pipes, had secured a large slice of that corporation's business, and had a corps of up-to-date solicitors working overtime to secure the balance. Boston, in the meantime, having decided that Addicks' star was of the shooting variety, and on its return trip, was throwing up its hat in the wake of the "Standard Oil" band-wagon. The city government and the Massachusetts Legislature had awakened to the enormity of Addicksism and were boiling over with that brand of virtue which the "System" and "Standard Oil" know so well how to rouse in American breasts by way of American pockets. By this time Rogers' investment in Boston had grown from the half-million he had in the beginning estimated as sufficient to annihilate Addicks to three and a half millions, a million and a half of which represented real property, and the balance, all kinds of expenditures made in the fight to crush the Delaware financier, a large part of it being invested in the votes and favor of State and municipal authorities.

Chief among the enemies of Addicks at this period was the young and brilliant boss of Boston, its reform mayor, the Hon. Nathan Matthews, and thereby hangs a swinging tale. When the Addicks-Rogers gas-fight broke out in Boston this Nathan Matthews was at the zenith of his political career, and was rather a greater man than even reform mayors generally fancy themselves. He was at that state of development in the lives of aspiring persons which compels the average spectator to debate whether the swelling of the cranium should be met by a larger hat-band or by a sweeping haircut. *En passant*, Addicks' Panama had had its fifth enlargement to accommodate the successive bulges of his brow.

Now, the city of Boston's contract with the Bay State Company for gas at a dollar and twenty-five cents, which had run a long term of years, was just expiring. One bright June morning the mayor's secretary telephoned the secretary of the Mogul from Delaware that His Honor of Boston, desired converse with the Gas King. If those who overheard the dialogue can be credited, the parley was of this character:

"This is the mayor of Boston, the Hon. Nathan Matthews."

"This is J. Edward O'Sullivan Addicks, Gas King and United States Senator-to-be. What would you with me?"

"I would hold converse with you in regard to a contract of much moment which will expire in a few days."

"Well and good. My office is in West Street. Give your card to my first, second, or third secretary and I will not keep you waiting long."

"The office of the mayor of Boston is at the City Hall and my first or under-secretary will make things agreeable while you wait. When will you call?"

"I would have you understand, Mr. Mayor, that any one to talk gas with J. Edward O'Sullivan Addicks, Gas King and United State Senator-to-be, comes to his office."

"Good-day to you, Mr. Gas King and United States Senator-to-be."

"Good-day to you, Mr. Mayor."

I do not, of course, guarantee that the conversation took exactly the form here given it, but no injustice has been done its substance, nor would it be possible to estimate in miles the breach it created. From that telephonic encounter date the earnest efforts of Matthews and Addicks to do up each other, in which both were successful to a degree that filled their hearts with Indian pleasure.

A few days later public announcement was made that the Brookline Gas Company, Rogers' corporation, had been awarded the contract for lighting Boston, and that henceforth the legal price of gas to the consumer was to be \$1 per thousand feet. This was due notice to all concerned that "Standard Oil" had captured City Hall, and Addicks realized his error. He sought the mayor's office, but the mayor had no time to see him. His companies met the new rate. There was nothing else for them to do.

CHAPTER XV. THE GREAT BAY STATE GAS FIGHT

It was to this condition that I had to adapt my campaigning plans. I determined first to raise the market price of Addicks' securities; to turn the tide against the "Standard Oil" by that most potent of stock-market weapons, publicity; and then to attack Rogers from the rear through the City Hall. For Addicks to attempt to match pocket-books with Rogers and "Standard Oil" in corrupting city or State officials I knew would be useless; and besides a fundamental stipulation in the agreement with the Delaware financier on the *Now-Then* had been that under no circumstances should bribery or corruption be allowed to enter into any of our plans while I was connected with the enterprise. I had always held, do now, and always shall hold, that the meanest crime in the calendar of vice is bribery of the servants of the people. I felt pretty sure, moreover, that I could play a card that would more than offset the dollars of "Standard Oil." Nathan Matthews was on the high-road to the governor's chair, but I happened to know that, however ambitious he might be for political preferment, his temperament rendered him more avid for distinction in business. Addicks had within his gift the richest plum in all the Boston commercial world. As controller of the affairs of the Bay State Company of Delaware, which controlled the nomination and consequent election of the officers of the old Boston gas companies, he could award to any one he pleased the presidency of these corporations, together with the large salary that went with the office.[6]

My plans in shape, I rushed to the firing-line. I began with a statement to the investors of New England and the gas consumers of Boston brimming over with facts and figures. Then I fired a volley of candid details as to the manner in which city and State officials had recently betrayed the public's interests. Lastly, I discharged at "Standard Oil" a broadside which my attorneys and friends assured me meant jail on a libel charge. I put my banking-house and my personal guarantee behind the old and new loans, and proceeded to roll up my sleeves in the stock-market. I got results at once. A change became apparent in public sentiment—the rottenness of Addicksism was overcome by the stench of "Standard Oil." The prices of Bay State stocks and bonds shot up; loan funds were offered freely and at lower rates of interest.

There were, however, reprisals. Rogers met my onslaught by a manoeuvre new in "Standard Oil" tactics. He came into the open, issuing a proclamation over his own signature which gave me the lie, at the same time tearing off a yard or two of my skin and throwing on a bucket of brine to remind me I had lost it. This attack was just off the press when I was out with a rejoinder which he, in after-years, referred to as quite the hottest thing of its kind he had ever read. In it I calmly, but in that "chunk English" which those who really wish to convey the truth naked can always find handy, told him plainly who he was, explicitly what "Standard Oil" was, and exactly who and what I was. I opine that about either assault there was nothing dignified, generous, or refined, but in stock-exchange battles one has not time to scent shrapnel. The immediate result of this interchange of deckle-edged[7] insults was to daze the public. "Standard Oil" attacked and actually replying; Rogers assaulting Lawson and Lawson sending back worse than he got—almost anything might happen next. It was right here I got to Rogers' *solar plexus*. I came out with another plain public talk, and gave him the choice of haling me into court—in which event I pledged him my word I would send him and his associates to jail for bribery and other crimes—or of acknowledging to the world he was licked and on the run. He was silent and I loudly claimed victory. The price of Addicks stocks quickly emphasized our success by a further advance.

Thus far the campaign appeared to be working smoothly, and I turned my attention next to my rear attack. I began negotiations with Mayor Matthews for the withdrawal of his support from Rogers. It was a difficult task, but after much manoeuvring I landed my big fish. I promised him the presidency of the Boston, South Boston, Roxbury, and Bay State gas companies for the term of three years, at a salary of \$25,000 per annum, with the explicit understanding that he was to allow me, as his vice-president, to see that the bargain between us was lived up to. When the trade was made it was understood that the fact of Matthews' change of base should be kept secret, and that he should not assume the office until the end of his term as mayor of Boston. With that agreement the deal was clinched, signed, sealed, and delivered.

In order that my readers may comprehend the events that follow, it is necessary that they understand

Frenzied Finance

something of the complications in which Addicks' manipulations had involved that corporation.

When Addicks purchased the several Boston gas properties he organized a company, the Bay State of Delaware, in which this ownership was vested. In order to facilitate the financing of the new corporation and for other manipulative purposes of his own, Addicks created an inner corporation, the Bay State of New Jersey, owned by the treasury of the Bay State of Delaware, to which he turned over the stocks of the Boston gas companies. These the Bay State of New Jersey transferred to the Mercantile Trust Company of New York as collateral for the twelve million Boston Gas bonds which had been sold to the investing public. While to all intents and purposes the Bay State of Delaware was owner of the subsidiary properties, the contract with the Mercantile Trust Company was made with the Bay State of New Jersey, and it was to the president of the latter corporation (Addicks) that the Trust Company was bound to deliver the proxies for the gas stocks in its possession, three days before an annual election. Knowledge of this subcutaneous corporation was confined to Addicks and his immediate associates, and the Delaware financier alone quite grasped its potentialities.

Hitherto Addicks had used the proxies to elect himself president of each of the subordinate corporations, drawing the several salaries which went with the offices. To prevail on him to give up these places and their emoluments to a man he hated as bitterly as he did Matthews was a difficult task, but his situation was desperate. Finally, he agreed. I did not know till long afterward that this reluctant compliance was yielded only after Addicks had had a secret session with his Bay State directors, at which they voted him, by way of salve for his resignation, a sum equal to three years' salary, \$75,000.

The mayor, who was a lawyer, prided himself on his shrewdness, and was fully alive to the serpent strategy of Addicks. He determined that the prize he had secured should not slip through his fingers for lack of precaution. We had many legal pow-wows in which the most astute lawyers at the Boston bar were called in, and finally the directors of the Bay State made an iron-clad contract with Nathan Matthews, agreeing to deliver over to him whatever proxies it, the Bay State Gas of Delaware, received from the Mercantile Trust Company of New York, on a given day before the annual election, with which he, of course, could elect himself president. This contract was signed by Addicks and his directors and by all the officers of the Bay State of Delaware corporation, and was passed on and approved by the eminent law sharps both sides had retained.

A few days after the document that made Nathan Matthews supreme boss of Boston Gas was conveyed to him, there came an explosion. Like the premature bursting of a bombshell at a Fourth of July celebration, the transaction "leaked," and the press announced in sable head-lines that Mayor Matthews had sold out, that Addicks was on top, and that Rogers and "Standard Oil" would surely be found beneath the *débris*. Matthews has always claimed that this "leakage" was a piece of Addicks' double dealing; Addicks declares it was a part of Matthews' and Rogers' deep-laid plan to give him the double cross. Anyway, as a hurrier-up of coming events the news was most successful, although its effect was somewhat of the nature of that produced by the throwing in of an overdose of soda at a candy pull—the pot boiled over, and the air for a time was permeated with the odor of burned sweets. In spite of all public and private criticism Matthews budged not a jot, and confirmed the reports. I made the most of our triumph over "Standard Oil," and for a few days the public took to it, too. Then came one of those return waves of sentiment which may always be counted on in any contest in which "Standard Oil" is engaged. From mysterious places and in untraceable ways the report became current that victory was really with Rogers instead of with our side; that the deal was a smooth piece of Machiavelian work; that Matthews when he took the helm was to steer our ship alongside one of Rogers' forts and perhaps drop anchor under a row of his concealed guns.

This rumor alarmed me. I lost no time in running it to earth, and discovered to my consternation that Matthews had spent the night before he made the agreement to come over to us in New York, at the home of H. H. Rogers. Exactly what had occurred there, or what their programme was, I don't know. Long after this episode had slipped into gas history, at the time when Rogers and myself were doing business together, I asked him to enlighten me on this one point, and he did to the extent of saying, "Matthews only did what I approved of." This certainly redeemed Matthews in my eyes from the reproach of having sold out his friends. There is nothing more despicable than a man who, after having consented to be "put" will not "stay put"—even though the first "put" be of a questionable character.

This new complication demanded immediate action. I called on Matthews to make public announcement

Frenzied Finance

that I was to be his vice-president, and thus set at rest the reports that were fast destroying the beneficial effects of our coup. I argued that such an announcement would convince the public that victory was with us and not with Rogers. My surprise may be grasped when the Mayor placed this icicle in my hot palm:

“Mr. Lawson, it has long been my ambition to show the public of Boston and gas consumers what I could do with this situation, and now that I am absolutely assured of gas supremacy, I would have you and all others distinctly understand I will run it as I deem best, regardless of the wishes of any one.”

Nathan Matthews was destined later to learn that in an Addicks edifice there are secret trap-doors and concealed passageways available for quick escape in emergency, and that the term “absolutely assured” is of relative value when used in high finance, with Addicks to interpret the relativeness. A few days after the mayor had shown his colors the annual election was “pulled off” in an unexpected manner. The Mercantile Trust Company delivered its proxies to the president of the Bay State of *New Jersey*, who promptly re-elected himself and his friends to their old offices.

Next morning the public, the press, and the ex-mayor were alike surprised to learn that J. Edward O'Sullivan Addicks was still president of all the Boston gas companies; that General Sam Thomas, of New York, and Thomas W. Lawson, of Boston, were vice-presidents; and that the expected and widely heralded Matthews turnover to Matthews had been indefinitely postponed. There was a tremendous “trowse” for a few days during which time I tried my hand at public-opinion moulding, and so successfully that all interested saw that the tide had really turned, and was running swiftly against the heretofore invincible “Standard Oil.” Rogers tried to stem it by causing it to be known that Matthews was to carry the new complication to the courts, but we quickly disposed of this possibility by reaching a settlement with our man. This was brought about by the payment to Matthews of a number of thousands of dollars, which Addicks afterward informed me he had entered in the gas-books as “balm salary.” From this event until August, 1895, it was one continuous running fire with Rogers and his crowd, with a constant gain to our side in public opinion, though final victory was still far off because of the unlimited money resources of “Standard Oil.” In fact, it gradually became evident that, though we might hold out, it was impossible to whip “Standard Oil” to an open acknowledgment of defeat.

The phase of the problem that gave me keenest cause for uneasiness was the possibility I recognized of treachery in my own camp. I had become painfully aware that Addicks was getting impatient and was ready at any favorable moment to make one of his quick Judas turns, which would land him safe with Rogers as the price of the slaughter of the rest of us. True, I had taken all possible precautions to safeguard my own and my friends' interests against his craft by securing from him and from the subsidiary companies iron-clad power to act for them without consultation. To get this I had had to use great pressure, for he had balked long and hard against giving it. This was the condition of affairs when I decided to stake everything on one move.

* Certain of my critics have seized upon the transaction with Mayor Matthews, narrated in this chapter, to say: “He bribed the Mayor and is no better than other bribers.”

The fact is, that the only thing the Mayor of Boston could do in the gas war—take sides with Rogers, grant a permit to the Brookline company to open the streets and come in competition with our companies, thus compelling, in the interests of the people, a reduction in the selling price of gas from \$1.25 to \$1.00—the Mayor had already done. There was nothing more in his power, and the only object we had in securing his services was to put him between our companies and Rogers, in the belief that Rogers, owing to his former relations, would not dare fire through him.

I never, directly or indirectly, bribed Mayor Matthews; but, on the contrary, only induced him to do what he had a moral right to do and I a moral right to ask him to do.

FOOTNOTES:

[6] See page 109.

Frenzied Finance

[7] Mr. Lawson's proclamations and market communications are invariably printed on the finest grade of deckle-edged paper.—THE PUBLISHER.

CHAPTER XVI. PEACE NEGOTIATIONS WITH ROGERS

Having made up my mind that the time had come for a final engagement, I decided myself to try legitimately to settle with Mr. Rogers, and prepared two letters which, if he were willing for us to get together, would pave the way for a meeting. These letters I sent by my secretary, Mr. Vinal, to Mr. Rogers at Fairhaven. My readers, in weighing this odd correspondence, must bear in mind what the relations between Mr. Rogers and myself had been. We had vilified each other in every imaginable way, and I knew, or at least I thought I did, that the "Standard Oil" magnate would not hesitate to use any written communication of mine that he could lay hold of to bring about a split between Addicks and myself. I had good evidence that he believed that in such a rupture lay his only chance of bringing home the quieting blow he had been trying to inflict on us. Letter I. read as follows:

HENRY H. ROGERS, Fairhaven, Mass.

Dear Sir: My secretary, Mr. Vinal, will hand you this letter. If after reading it you are desirous of further communication with me, he has instructions, after you have returned this one to him, sealed in the enclosed envelope, to hand you another, which if after reading you return to him in another enclosed envelope, he will bring to me with whatever verbal answer you may care to send.

My secretary knows nothing more of his errand or the contents of either letter. He can, therefore, give you no further information. If you do not call for the second letter, I will consider you do not care to pursue the subject further, which will lead me to notify you that the Boston gas war will end in a most sensational way next Wednesday.

Believe me, sir,

Yours respectfully,

(Signed) THOMAS W. LAWSON.

Upon his return from Fairhaven Mr. Vinal informed me that Mr. Rogers, after reading this letter twice, folded and placed it in the envelope I had sent and handed it without comment to him, whereupon my secretary delivered to him letter II., which was a type-written communication on a plain bit of paper, addressed to no one, signed by no one, and bearing no marks to identify the sender:

There is a gas war now existing. Upon one side is the "Standard Oil." Upon the other the Addicks Bay State companies.

After a fight has been begun there are but four things possible:

"Standard Oil" can sell out to the Bay State.

The Bay State can sell out to the "Standard Oil."

They can come together by consolidation; or

They can continue fighting until one or the other has been annihilated.

Nothing else is possible. Therefore, one of these four things is to be the outcome of the present war.

If you can be shown now that if one of the first three is not settled upon before next Wednesday the fourth will be impossible beyond that date, and that it is absolutely in the power of one man, without consultation with any one, to

Frenzied Finance

bring about the accomplishment of any one of the first three, you will meet that man before next Wednesday and make your selection.

I can absolutely prove to you that this war will not continue after next Wednesday, and that it is absolutely in my power, without consulting any one, to do any one of the three things you signify you desire done.

Mr. Vinal reported that Mr. Rogers also read this letter a second time, but slowly and carefully, as though he were weighing each word, and then, sealing it in the envelope, passed it back to him with: "Say to your employer I return to New York to-morrow, Sunday night, and shall be at my office, 26 Broadway, from 9.30 on Monday morning till five in the afternoon; that I shall dine at my house, 26 East 57th Street; that I shall be through dinner at eight o'clock, and that I go to bed at 10.30. Tell him that any man who has an important communication to make to me affecting a matter in which I have large interests will be welcome to call on me between the hours I have named, provided he notifies me a little while in advance."

When my secretary, whose practice it was to give me the minutest details of such affairs as this errand, had reported all that had happened, I at once sent a message to 26 Broadway stating that I would be at Rogers' house at eight o'clock on Monday night, and on the stroke I pushed his electric latchstring. His man had hardly taken my hat when Mr. Rogers himself came down the hall with outstretched hand.

CHAPTER XVII. A MEMORABLE CONFERENCE

If the years of my life are protracted beyond the Psalmist's threescore and ten, even though the events that chance in the comparatively long future seethe and struggle as strenuously as those that befell in the eager, vivid procession of yesterdays which makes up my past, my memory's picture of this meeting will always hang where the lights cast their kindest reflections.

I had left Boston on the noon train, and got down to my hotel, the Brunswick, on Fifth Avenue, by six o'clock. In those kind days of good memory when New Yorkers really lived instead of looping—the-loop through life, the Brunswick was head-quarters for Southerners and Bostonians of the old school. To-day its bricks and mortar and the picturesque iron balconies, from which two generations of America's celebrities reviewed the marching armies of peace and war, are heaps of refuse; for the old Brunswick has had to give place to yet one more of the twenty-storied, emblazoned hostelries, whose alabaster halls, frescoed walls, mosaic floors, and onyx and silver bathtubs are designed to minister to the comfort of our great and free people when they needs must wander from the luxury of their homes. When I had dressed I crossed over to the old Delmonico's opposite, and, in a secluded corner beside an open window which gave full view of the passing show on Gotham's great boulevard, I sat and listened to old "Philip," who, time out of mind, had been high-priest of the famous Frenchman's temple of appetite, as he posted me on the latest doings of the town where no one remembers further back than yesterday, and to-morrow doesn't count. Ordinarily I should have lingered for hours with "Philip" and his tidbits, but that night my mind was a mad steeplechase of memories and hopes, all starting and finishing at 26 East 57th Street, and I fear he must have thought he had failed in the plump little duck which I left unpicked, and in the bottle of Chianti which I hardly sipped.

At 7.30 I lit my cigar and started for what I felt was to be the tomb or the forcing-house of all the air-castles I had cherished from boyhood. At last I was to meet the real champion; I was to tussle hand-to-hand with the head of the financial clan, the man of all men best fitted to test to the utmost the skill and quickness which I had picked up in the rough and tumble of a hundred fights on State and Wall streets—Rogers, wary, intrepid, implacable, the survivor of bloody battles in comparison with which mine were but pink skirmishes.

I had carefully put aside that half-hour between dinner and the moment for my appointment to run up and down my mental keyboard under what to me are the most favorable conditions possible—an evening walk through the streets of a great city. Some men can invite their souls only in sylvan solitudes, but the flare of light, the clash of traffic, the kaleidoscopic procession of humanity, with its challenging contrasts shifting and seething on great metropolitan highways, breed in my mind a sense of calm, cool remoteness in which all the glitter and excitement of the spectacle suggests only its appalling transiency.

From the gay carnival of Broadway I cut across through the brownstone gloom of 27th Street into Sixth Avenue, where the tired men and women of the toiling millions sat in their doorways or at their windows over the shops resting after the heat and travail of the day. Some watched the sidewalk antics of their children—perhaps speculating on the possibility that this or the other among that merry throng of urchins might rise to be an alderman or even a city boss—perhaps President of the greatest republic on earth—or—transcendent bliss—a Rogers or a Rockefeller.

From 42d Street I turned up Fifth Avenue, lifting my hat and exchanging a word with Mr. and Mrs. Russell Sage, and for an instant, as I left them, my wandering thoughts took a new twist, for Mrs. Sage had informed me that "Father and I are on the way to prayer-meeting"—early evening prayer-meeting in New York! For an instant I was in one of those tiny New Hampshire villages, a forgotten haven of rest and simplicity, innocent as yet of steam, machinery, or trolleys, for the sweet lady and the angular man with the pained gait which spoke in loud tones of the unbroken store-shoe could belong in no other than a rural place. But the image of the New Hampshire village only flitted across my mind's film, for my truant senses seized on a message over memory's telephone: "Russell Sage has \$100,000,000." One hundred millions, and I was back on earth again, but as I walked the thought was buzzing in my brain: "Is it possible that that countryman has *MADE one hundred million dollars*, when the expert carpenter who started at the birth of Christ to trudge the

Frenzied Finance

world until from his honest labors he had accumulated \$1,000,000 by laying aside each day all the wage he was entitled to, one dollar, had at the end of 1,900 years only a little more than half that sum?"

At last I turned the corner of 57th Street, and when I looked down Mr. Rogers' home-like hall and grasped his outstretched hand and heard his "Lawson, I'm glad to see you!" I would have sworn it was hours and hours since I left the little table in the corner of Delmonico's.

* * * * *

The chief impression I recall of my experience that night is gratitude for Henry H. Rogers' unexpected kindness, and admiration for his manliness, ability, and firmness. When this memory rises in my mind I regret "Frenzied Finance" and all the consequences with which it is fraught for him and his connections. When the American people are aroused, as they surely will be, to demand restitution and are in the act of brushing, with a mighty sweep of indignation, back into the laps of the plundered the billions of which they have been robbed, and "Standard Oil" and the "System" break and fall like trees before the gale, I doubt, even if Henry H. Rogers be brought face to face with ruin, that he will feel half the pain I shall, for I know that the picture of that memorable night will surely come back to me with all the vividness of reality.

But as my mind harks back, there clashes with this another, a hellish picture, which the same Henry H. Rogers painted with the brush of Amalgamated, and a procession of convicts and suicides trail slowly toward me out of the canvas. Then I realize that my pen is but the instrument of a righteous retribution and that no personal feelings, however tender, must be allowed to interfere.

"Come this way," said my host, striding ahead of me along the hall. "In here we can have our talk and our smoke undisturbed." He led me into the big, empty dining-room and closed the door.

"Mr. Rogers," I began, "it is kind of you to be so friendly after the mean things we have said of each other. Am I to understand you don't lay any of all that has passed up against me?"

"Lay it up against you, my boy? Drop that all out of your mind. You probably know I talk to the point and mean what I say. If you had hit below the belt as that—Addicks has, I *would* lay it up against you and a hundred years would not make me forget it. I know what you've done and why you've done it, and it was as much your right to do it as mine to do what I have done. I have nothing against you, and if events place me in a position where I can do anything to make your job easier without hurting my own interests—mind that, without hurting my own interests—I will do it. You have my word for it."

We sat within a few feet of each other, and I looked squarely into his eyes as he said, "You have my word for it," and they were honest eyes—honest as the ten-year-old boy's who with legs apart and hands in pockets throws his head back and says: "Wait until I am a man, and I will do it if I die for it!" I looked into them and I knew "My word for it" was all gold and a hundred cents to the dollar. For a minute we gazed steadily into—through each other, and I knew he was reading away into the back of my head. Inwardly I said: "If I do business with this man for a day or for a lifetime, I will never face him and give him my word for one thing and mean another," and in the years after when we did millions upon millions of business, with only each other's word for a bond of fair treatment, not once did I depart from the letter of my resolution. Up to the recent famous "Gas Trial," where our roads suddenly shot off at right angles, owing to a foul act of perjury, Henry H. Rogers never tired of meeting all his associates' attacks upon me with: "Lawson's word is gospel truth for me."

When we dropped our eyes, both evidently satisfied, he said: "Now, what have you to say to me?"

I spoke my piece rapidly and without interruption: "There are four things possible, as I wrote you—only four. I will take up the fourth first. I have absolute power to speak for all our local companies. If we, you and I, come to no settlement by to-morrow night, I will, without warning to any one, confess a default to the notes of our different companies and have a receiver appointed. As our stocks and bonds are held by our best investors all over New England, and as no such move is suspected, there will be a terrific rumpus. In the crash I shall go down with Addicks and the rest, for we have all put our personal resources behind the enterprise. I will see that the howl following the crash shall be such as all must hear, and I will call attention to the illegal acts of every one—your companies, Addicks' companies, and the city and State officials that have made such conditions possible. I don't think you will be able to stand against the cyclone this crash will raise; but even if you do, the receiver, having no interest to pay on bonds, will be in a position to smash the price of gas to seventy or seventy-five cents, and make it impossible for you to get possession of our companies for so long

Frenzied Finance

a time that the consumers will never allow you to get the price back to a profitable one. Have I made it clear that you cannot, as you were counting on doing, continue this fight till you have us tired out and crushed?"

His answer came as clear, quick, and sharp as the click of a revolver: "Perfectly, provided you can do the thing you say."

"I will prove to you I can."

"It is not necessary," he clicked back. "Do you give me your word that you can?"

"Absolutely."

"I am satisfied. Go on."

"That leaves only three possibilities," I continued. "You buy us; we buy you; or, we consolidate. I will take the third first. Under any circumstances or conditions will you join forces and do business with us?"

"Under no circumstances nor conditions will I do any business with Addicks. He has played me false, broken his word, and lied to me when there was no necessity for doing so, and no man who has done this once can ever do business with me a second time."

I once stood by a mechanism through which passed a strip of metal. Click! 'Twas cut. Whir! 'Twas a cylinder. Click! Whir! Click! A corner, an edge, an end, and b-r-r-rr! It was dropped, a metallic cartridge, to do its part in peace or war. Even more fascinating was it to see this human machine eject the product of its whirring brain.

"Then we have but two possibilities. Will you buy us out at the price we must have?"

"What is the price?"

"Sufficient to make good the promises that I have made to Addicks, my friends, and the public since I have been in command," I replied.

"Pass that by as an impossibility."

"Then, Mr. Rogers, we are down to this: You must sell and we must buy you out."

"Right. Now, how do you propose to buy?"

For months the ablest financiers and business men of Wall Street and Boston had striven to start up negotiations with Mr. Rogers with a view to settlement, and all had dropped them without even getting in an opening wedge, and here was I at the end of fifteen minutes of my first meeting, with my task half accomplished. I went on:

"There is something more you must do, Mr. Rogers. You must assist us in buying, which means you must sell at the terms you and I agree are the only ones we can meet. Therefore I will run over our situation. You have certain property, consisting of the Brookline Company and miscellaneous investments in connection with it. What cost does it stand you?"

Frankly, he went over what his Boston gas-war equipment consisted of and what it had cost, which, boiled down, amounted to \$3,500,000. He then said:

"Let us figure what it will be worth to you when, it being known you have won out, you will have additional prestige and no competition."

We agreed upon \$2,000,000 as representing the probable appreciation in what we were to acquire from him over and above any increase to our own securities.

"I'll take cost, \$3,500,000, if it is cash or the equivalent, or I will take \$4,500,000 if it is to be credit of a nature that assures me my money eventually, and I will divide my profit of a million equally with you. This sum will of course be in addition to anything you may be paid by Addicks."

Instantly, as if we had agreed upon it in advance, our eyes met—his cold, clear, and steely business—mine, I hoped, the same. For a second neither of us said a word. Then I said: "Thank you for the offer of the \$500,000 profit, but we will cut all such offers out. My pay comes from my side. I never yet have known the man who could take pay from both sides and do his work properly." I slowly drew out the word "*properly*," and he in the same tone of voice said:

"'Properly' is better than 'honestly.' You know, Lawson, there is much cant in these times of which 'honesty' is the refrain."

"You and I will make no headway discussing moral ethics, Mr. Rogers, although we may in discussing business practices," I said, and I chalked up on my mental black-board: "Test One." Then I went on:

"I agree that \$4,500,000, in anything we can pay in, is as fair a price as \$3,500,000 cash, provided we find

Frenzied Finance

a credit guarantee satisfactory to you; unless indeed you are willing to allow us the \$500,000 you just offered me.”

“What I offered you was part of my profit. I will not allow any of it. My price is the same whether I pay you anything or not.”

“Very well, Mr. Rogers, then the situation is this: In any trade that is made it will first be necessary for you to turn your property over to us to manage in conjunction with our own. When the public see it in our hands, our securities will advance and we can, by issuing additional Bay State stock, sell it and secure whatever sum it will be necessary for us to have beyond what we can borrow on your securities. Do you agree with me?”

He saw it as I did.

“I imagine you will never consent to turn your property over to us on our say—so that we will later pay you for it?”

“You are right there. I would not take J. Edward Addicks' guarantee in any form he could possibly put it. Once he got his hands on my company, for even thirty days, he would so far misuse it that he would deliberately default for the purpose of returning it to me in a damaged condition, and, in addition, would play some of those tricks which are second nature to him.”

“It will be necessary for us then,” I went on, “to give you some forfeit bond so large that, even if we misuse your property while it is in our hands, you will be repaid for the damage done, and it must be at the same time something of such value to us that even Addicks will be compelled to play fair.”

“Well, what can you put up?” Mr. Rogers asked.

“Addicks has a right, through the Bay State Company of Delaware, to issue, through the Bay State Company of New Jersey, a million and a half new bonds for the purpose of acquiring new property. He and I have discussed the scheme as a last resort should any settlement seem possible.”

“Do you mean to tell me there is anything Addicks can get his hands on which he has not yet used for his companies nor stolen for himself?” replied Mr. Rogers incredulously.

“Yes, he has time and again assured me of this, and he would not dare to lie to me under existing conditions.”

He arose from his chair and stood directly in front of me and straightened up for what I could see was to be an unusual effort. Then with the force and the fire which in all his supreme moments make Henry H. Rogers wellnigh irresistible he said:

“Lawson, I have listened to you. Now listen to me. I have taken you at your word, and have talked frankly and shown you my hand as I have seldom shown it to a stranger. To do the business I want to do, I see I must talk even more frankly than I already have, and I want you to weigh carefully what I shall say to you, for it may have a great bearing on your after-life. How old are you?”

“Thirty-seven,” I replied.

“I thought you were about thirty-seven,” he said. “Well, I am fifty-six and in experience am old enough to be your grandfather, so you can afford to give weight to what I am about to say, especially as I give you my word that I speak for your benefit first and my own afterward. I watched you before you hitched up with Addicks, and always thought that if the opportunity arose, we might do business together. We, or as you and others like to call us, 'Standard Oil,' have money enough to carry through whatever business we embark on and we know where there is all the business to be had that we care to engage in. We have everything, in fact, but men. We are always short of men to carry out our projects—young men, who are honest, therefore loyal; men to whom work is a pleasure; above all, men who have no price but our price. To such men we can afford to give the only things they have not got, or, if they have already got them, to give them in greater quantities—I mean power and money. You made a great mistake when you joined forces with Addicks, because no man can afford to be associated with the kind of a rascal Addicks is, the lowest I have yet come across. He is the type of man who cuts his best friend's throat with as much ease and satisfaction as he does his worst enemy's, if not with more. I fully expected that by this time he would have sold you out. If he had, where would you have been? Now, here you are from sheer desperation driven to me to avoid utter failure. Suppose you can do all you hope to—get the bonds, put them up and secure my property—do you not suppose that by that time Addicks will have some mine dug under you which will blow you to destruction?”

Frenzied Finance

But grant even that he plays fair, and you bring the Boston situation up to a paying place, what good will it do you? You surely have more sense than to believe a man of Addicks' make-up can be permanently successful?"

Mr. Rogers halted. I had risen, and we stood facing each other. I felt that I was right here playing for that greatest of all stakes, my self-respect, the loss of which to any man, I had long before discovered, means ebon failure.

"What do you want me to do?" I asked.

"Say you'll come with us, and we'll fix up the Boston situation in some way that will forever eliminate Addicks from our affairs—your and my affairs. I would not insult you by asking you to sell Addicks out. It is unnecessary. He has no real rights in Boston. You and I can figure out a scheme that will take care of every other interest, and we'll give Addicks a lot more money than he can secure in any other way and show him the door. As for you and me, we'll make a lot of money and make it fairly and above board. But I am not thinking so much of the immediate situation as I am of the possibility of you joining us and working on some of the deals we have on hand. I shall put you in a position to make more money and secure more real power than you could possibly obtain in a like time under any other conditions. You know corporations and the stock-market, and you can readily see what the combination of our money and prestige and your knowledge of the market and investors will mean."

Heaven knows I could see what it all meant. I had even at that time in a chrysalis state those plans for destroying the "System" which now in a rounded out and matured form I intend to be the superstructure of my story of "Frenzied Finance." I had, a year before in Paris, outlined those plans to some of the brightest financial minds of Europe, and while they had marvelled at their radicalness, they had pronounced them sound, and had offered to furnish the hundred million of dollars required for their execution. Then I realized that to take this money from bankers would hamper me in the execution of my plans, and I postponed putting the project in force until I could furnish the necessary money through my own connections. Again, I had big ideas as to the copper situation—ideas that only awaited unlimited capital to be brought before the people, and which, if carried out, would do for them what had as yet never been done—give them tremendous profits upon their savings. And here were the unlimited capital and unlimited business prestige right at hand, but——

"Mr. Rogers," I said, "don't! Please don't! I appreciate your proposition, and I thank you, but I can't accept. I agree with you about Addicks, the position I am in, and the mistake or foolish recklessness I was guilty of when I linked up with this Boston mess, but that doesn't alter the case an iota. I am enlisted with this man. I knew what he was when I consented to take charge of his affairs, and I should hate myself if I sold him out, even though I knew he would without hesitation sell me out. I must be true to myself."

Mr. Rogers remained silent. I went on:

"This, if I accepted your proposal, I could no longer be, even were Addicks and Boston Gas out of it. The man who is 'Standard Oil' wears a collar, and if I did what you ask I should expect to wear a collar and—and—I can't do it." I stopped; I was not excited; it was impossible to be so with that calm figure, apparently cut from crystal ice, so near me, but I was very much in earnest. I wondered what would come next. Mr. Rogers raised his hand and held it out to me, mine grasped it, and without a word thus we stood long enough to put that seal on our friendship which none of the many financial hells we jointly passed through in the after-nine years was hot enough to melt.

But that friendship is ended now. Henry H. Rogers' evidence in the Boston "Gas Trial" was the spark that kindled the dead leaves of the past into the conflagration which, now spread beyond the control of man, has brought to light the hidden skeletons of forgotten misdeeds and exposed them for all the world to see.

He at last broke the spell. "Lawson, you're a queer chap; but we are all queer, for that matter, and we must work along those lines we each think best. I once stood, just as you do now, in front of a man whom I looked up to as all that was wisest and best. He made an earnest effort to induce me to choose the ministry for my life-work, but I chose dollars instead, and I sometimes wonder if I chose wisely; but, as I said, we all must select our pack and, as we are the ones who must carry it, I suppose no one else should complain."

After a moment's pause I shot ahead into business again as though we had never left it. It took me but a short time to arrange the details of our trade. The Bay State of Delaware was to buy all of Mr. Rogers' Boston investments and to pay for the same \$4,500,000—\$1,500,000 in six months, \$1,000,000 in a year, the balance

Frenzied Finance

in a year and a half, with interest at five per cent.; the Bay State was to put up, as a pledge of good faith, \$1,500,000 new Boston bonds; and as soon as such deposit was made, Mr. Rogers was to transfer his securities and corporation to us. I was to go to Philadelphia that night and arrange all details with Addicks and report the following day.

It was 10.30 o'clock when I left 26 East 57th Street. I hurried down to the Brunswick, where I had time only to shift my clothes and catch the "midnight" for Philadelphia. After breakfast next morning I tackled Addicks. It goes without saying that I was a cyclone of enthusiasm as I minutely ran through what I had done, beginning with my letter to Rogers and finishing up with my visit of the night before. I omitted not the slightest detail, and when I wound up with my request that Addicks get the lawyers together and prepare the necessary documents for the turnover of the bonds and acceptance of Rogers' properties, I felt that my share in the Boston gas war was almost ended.

CHAPTER XVIII. THE DUPLICITY OF ADDICKS

Addicks looked at me in a cool, aggravating way, as though my enthusiasm was a joke.

“Lawson, you have done a big thing, a big thing, but you put up too many bonds, altogether too many. It looks to me as though that old trickster had got the best of us at last.”

By this time I had learned all the moods of this man and knew that when he assumed that air of cold, saturnine jocularly it was safe to look for the uncovering of some vaporized trickery. My enthusiasm oozed. I hastened to ask:

“What do you mean by 'too many bonds,' Addicks? I gave him all we had. Sorry it was not more. We are to pay him four and a half million dollars, and the sooner we do it the better. Now out with what you've got in your mind; I won't stand any trifling.”

Addicks continued to look at me with the same insolent, critical air. He said slowly:

“The reason I say you've given too many bonds is that we haven't a million and a half to put up. Where in the world did you get the idea we had?”

In an instant I realized that this sharper had tricked me into apparently tricking Rogers. I was boiling with rage.

“You have told me over and over again that you retained the right to issue a million and a half bonds, that you had never parted with it, and relying on your assurances, I have done business with Rogers. Let's have the truth now at once.”

Addicks is a master in the management of just such tangles as had developed here. I had expected him to give way before my indignation. He looked me square in the eye and turned the tables on me. He got mad first.

“You have taken too much on yourself,” he began vehemently. “You had no right to go ahead without consulting me. Because I've given you full swing you think you are the whole thing, but you're not. And as for your rushing in on me without warning and expecting me to let you turn all the assets of this corporation over to your new 'Standard Oil' friend, I won't stand for it. You can't do this corporation's business that way.”

He poured on for five minutes without giving me a chance to interpose a word. He seemed to be consumed with anger and paced up and down the office. Then suddenly he stopped:

“We cannot afford to have any trouble, you and I, Lawson. I'm sure you did only what you thought best, but the fact is, I pledged some of those bonds for our war supplies a few months ago, and though I'm not going to dispute it with you, I'd swear I told you at the time.”

As Addicks talked I had been mentally reviewing the situation in which I found myself. I saw myself dropped out of Rogers' consideration as the same kind of a financial trickster that Addicks was. For the moment, I had no fight left; I was knocked out.

“Don't feel bad, Lawson. You got as far with Rogers as it is possible to get, and you are dead right when you say that once we get hold of his corporation so that every one knows we've licked him, we can easily sell stock enough to pay him in a few weeks.” As he talked he was again the master financial trickster, full of device and strategy. Finally I answered:

“Don't say any more, Addicks. Words won't help us. I've got to face Rogers as soon as a train can take me back to New York, and after that—then I'll have something to say to you.” I started to go.

“What are you going to say to him?” he asked.

“Say to him? What can I say to him? At my solicitation he gave me a hearing—at his own home—treated me best in the world. I told him certain things, and pledged my word they were truths, and I've got to go back and tell——”

“Tell what?”

“That I'm either as big a liar as he says you are or a fool—a doddering fool.”

“You are going to do nothing of the kind,” Addicks declared peremptorily. “You're going to tell him that you were not posted up to date, and that I, being pressed for money, had pledged some of the million and a half I had told you we had. That's all. He'll see it all right, and he'll trade for—for—what we have left.”

Frenzied Finance

I suddenly remembered that he had not told me how many bonds he had on hand. Just a ray of hope in the fog.

“How many free bonds have we to offer, Addicks, suppose he is willing to overlook this ugly piece of trickery?” I asked anxiously.

“I'm not quite sure,” he answered, “but I can find out from the books.” He rang for Miller, his right-hand man, the dummy treasurer of the Bay State Company, and said to him: “Harry, Mr. Lawson has got mixed up about the bonds. He thought we had a million and a half. You remember we've pledged some in the loans. Just how many have we now on hand?”

“Harry” looked it up and said: “Just \$904,000 worth.”

“There you are, Lawson,” cried Addicks. “There's plenty to assure Rogers we'll do what we agree to.”

Fool that I was, I did not see his game. No one ever does see Addicks' game till it is too late, for no one but a moral idiot would play the game Addicks plays, and, thank heaven, moral idiots are so rare in life that it is not worth while figuring out the formula from which they work.

By one o'clock I was at Mr. Rogers' office at 26 Broadway.

He greeted me warmly. “Well, Lawson, did you get things finished up all right?”

“Mr. Rogers, I have a most humiliating admission to——”

“Hold up right there. Cut out all explanations and excuses. Have you brought those bonds as you agreed to, or not?” His eyes were snapping and shifting from one color to another.

“No, I have not got them.”

“Why not?”

Had I been a woman I should have clapped my hands to my ears and screamed, so sudden and bomb-like came those two words.

“He had used some of them and has only \$904,000 on hand.”

“Only \$904,000!”

It is impossible to convey the concentrated scorn and sarcasm Mr. Rogers infused into these words, and he continued to glare at me for fully a minute, his eyes as searching as *x*-rays. When that glare shifted I had a presentiment it would leave me forever a stranger to him, and I made up my mind to turn on my heel and leave his office without a word. I felt that he was in the right, and that if I were in his place I'd glare, too.

Suddenly the expression changed. He said peremptorily: “Lawson, get on the first train for Philadelphia and bring back those agreements executed and the \$904,000 instead of the \$1,500,000.”

“Mr. Rogers,” I began, but he stopped me with an imperative gesture.

“Don't say a word, but do as I tell you. I warned you you were dealing with a dog, but you wouldn't have it. Now I'm going to put this trade through even if I make a fool of myself thereby. You've done your work and that whelp shall not keep you out of its results. I'm in this now, and we will see if Addicks can outplay me as well as you. Not another word. I understand the whole thing.”

I returned to Philadelphia deciding once and for all certain things in regard to Mr. Rogers and others affecting the future of J. Edward O'Sullivan Addicks; and that night Addicks and I “had it out.” I shall not attempt to reproduce our talk. Suffice it to state that when I called for the bonds Addicks began to hem and haw, and then I realized that he had a second time lied to me. We were in his Philadelphia office, and it was night and we were alone. I demanded the truth, and finally he told me he had no \$904,000 of bonds. As a fact he had not a single bond. He had used them to the last one and had deceived me for months. In regard to this interview Addicks has always maintained that I laid hands upon him, and that he was on the verge of doing some awful thing, but this is false. What I did was to turn the key in the door and then, without undue regard to his sensibilities, draw a word-picture of the position he had placed me in. Also I said what I thought of him. That is all.

The vast profits which the stock operator makes apparently overnight are often subjects for the world's wonder and envy. But if the gains are great, the road is muddy. If those who covet the golden rewards will participate in a deal or two, wallow in the filthy double-dealing which is an inevitable part of the cost price of success, they will quickly realize the dark side of the glittering game, and that the sacrifices are in proportion to the winnings. If I had been asked that night what price would recompense me for the hell Addicks' shabby deceit had stirred up in me, I should have said—that night—that no number of millions would pay for the

Frenzied Finance

bitterness of the experience.

It was after midnight when I left Addicks' office, and as I walked to my hotel I was steeped in gloom and bitterness. Before me was the most humiliating ordeal with which Fate had ever saddled me. I had to confess failure a second time, and under such circumstances that Rogers would be justified in believing me either a swindler or a dupe unworthy of respect or consideration.

I was at 26 Broadway by ten o'clock the same morning. Mr. Rogers was in his main private office. His secretary was with him. He was full of business, and, I thought, preoccupied. As I entered, and before a word of greeting passed, he gave me one of his keen, appraising glances.

"Well?" was all he said.

"Your estimate of Addicks was correct. He has no bonds," I said, giving him the worst of it at once. I was desperate and certainly in no mood for apology. Rogers looked at me. I thought he gasped. He rushed—whether he pushed or pulled me, or we both slid, or how we got there I don't know—but in an instant after I had said "He has no bonds" we were in one of the number of 8 x 12 glass-sided pens he calls waiting-rooms, but which the clerks have dubbed "visitors' sweatboxes." He put both hands on my shoulders and he yelled—fairly *yelled*: "Say that again! I did not get it."

In after-years I became on rather playful terms with the extraordinary bursts of wrath to which Henry H. Rogers occasionally gives way, and which sweep through the "System's" shrine like a tornado; but this was my first experience, and it was a shock and a revelation. Just what was going to happen next I could not imagine. I remembered afterward that the most definite of the impressions that chased each other through my mind was that Henry H. Rogers would surely have a stroke of apoplexy. Then that he would "bust." However, I pulled myself together and began:

"Mr. Rogers, what's the use of getting excited?"

I got no further. He jumped backward. The next second I was in the storm-centre. The room was small. Suddenly it became full of arms and legs and hands waving and gesticulating, and fists banging and brandishing; gnashing teeth and a convulsed face in which the eyes actually burned and rained fire; and the language—such a torrent of vilification and denunciation I have never heard, mingled with oaths so intense, so picturesque, so varied that the assortment would have driven an old-time East Indiaman skipper green with jealousy. I was horrified for an instant, then surprised, and after that, if it had not been for my position as the cause of it all, I should have been interested in the exhibition as a performance.

I could hear a stirring and a movement outside. The clerks were evidently aware of the scene. Forms passed rapidly across the ground-glass walls. After a time Rogers controlled himself. Then he said to me in a voice still vibrant with passion:

"Lawson, tell me—put it in short, plain language—do you mean to say that after coming to me of your own accord and agreeing to do certain things, and then returning here to this very office, admitting that you had tricked me; after my overlooking that breach of faith and agreeing to take half the collateral simply because it was all you could raise, and because I desired to assist *you*—do you mean to say you have the audacity to tell me to my face that the whole thing is a lie and you have imposed on me?"

"I mean, Mr. Rogers, to tell you that Mr. Addicks has just proved to me that he has no bonds; that he is a liar and worse."

"Oh, he is, is he? But does that justify you in coming?—oh!——"

Again he was off. When he stopped for breath I raised my voice and made it loud and emphatic enough to convince even a man temporarily insane that my part as audience and victim had ended. I said:

"Mr. Rogers, I can't say more than that I apologize for the part I've been made to play in this transaction, and I'll leave your office prepared to take any kind of medicine, however harsh it may be, that you will deal out on account of all this. Not only will I take it, but I'll think you are right in administering it."

Rogers once more got himself under control. I stepped toward the door.

"One minute, Lawson—one minute. What are you going to do? Go back to your associate, that gentlemanly, square-dealing fellow in Philadelphia?"

"Mr. Rogers," I replied, "I ask no mercy at your hands, but there's a limit to the things a man will stand under the mess I'm laboring with. I'm going to do the best I can. What it will be I don't know. There's a deal of money at stake—my friends', the public's, my own—I'm responsible for it. I've made a terrible blunder. I am

Frenzied Finance

paying for it, but nothing that has happened has altered my idea of the duty I owe myself and others.”

He was about to say something sarcastic. Then he choked back the words. His manlier nature rose to the surface.

“Lawson,” he said, “I’m sorry for you. Upon my soul I am.”

“You needn’t be, Mr. Rogers. It’s all right; it’s part of the game, but I’m awfully sorry I came near you.” I opened the door.

“One second more, Lawson,” he said, stopping me and putting out his hand. “I’m not only sorry, but I give you my word I have not a doubt—no, not a suspicion of your good faith throughout this business—and if at any time you see your way to open up negotiations, you’re welcome. Do you understand? You’re welcome to come in here or to my house at any time you think you see your way out.”

I said “good-by” and bolted before my feelings overcame me.

CHAPTER XIX. ENTER H. M. WHITNEY

It is not surprising that there should now have ensued an interval of silence and peace in the Boston gas war. Disheartened, disgusted, disappointed, I had to take stock of our position. However enraged I might be at the new revelation of Addicks' extraordinary veniality, the other elements in the situation remained as before. I could see nothing for me to do but to resume the tactics I had employed previous to the meeting with Rogers. My friends' interests had to be protected, and to do that war must be waged until a vulnerable spot in Rogers' armor had been found. But it was some days before I could screw my enthusiasm back to fighting-pitch. In the mean time Rogers did nothing. He, too, was waiting for new developments.

To this extent the situation had altered, however: I knew just where I stood with Rogers, and he realized the consequences of pressing us into a corner. I knew he would sell his company and retire from the field if I could find a way to pay him for so doing. He knew that if he turned the screws too hard I would as a last resort turn the tables by throwing Bay State Gas into bankruptcy. I tried many times and in many ways to find means to bring about a termination of the struggle, but to no purpose. Our extremity was such that it was impossible to do more than protect our companies from a receivership. To raise new capital to deposit as collateral with Rogers was out of the question, for the public, looking on at what was evidently most disastrous warfare, was in no temper to buy new stock.

The lull in our hostilities was only a pause between battles. It suddenly came to an end January, 1896, when a new enemy appeared in the field. Henry M. Whitney, who had built up Boston's electric street-railway system, and who, from his frequent dealings with the Massachusetts Legislature in obtaining franchises, had the reputation of carrying that body in his waistcoat-pocket, came before this Legislature with a proposition for a charter for a new and independent gas company. Up to this time Whitney had had no relation with the gas public. He based his new departure on the claim that he had come into possession of a patented device through which it became possible to turn the low-grade sulphuric coal of Nova Scotia into coke without sacrificing either the valuable by-products, such as ammonia, tar, etc., or illuminating gas. This was a very remarkable pretension, for we had long ago eliminated these low-grade coals from consideration as material for gas-making; but if Whitney's device actually was what he claimed, undoubtedly he would be a dangerous competitor. Whitney's petition set forth further, that because of the exceedingly low price of this Province coal and its richness in by-products he could afford to sell gas to consumers at 50 cents per thousand feet (the legal charge was then \$1 per thousand feet), a price which would enable the great manufacturing institutions and all the steam and heating plants to use gas economically for fuel purposes.

The thing was sprung one day and was all over town before night. There were interviews and pamphlets floridly setting forth Mr. Whitney's good intentions toward gas consumers.

Mr. Whitney was, and is, one of Boston's most important citizens, at the present time president of the Chamber of Commerce, and a brother of the "System's" most Machiavelian votary, the late William C. Whitney. The application, backed by his prestige, and the roseate dreams of cheap gas it conveyed, created a sensation in Boston. Evidently he intended to have it seem that the people were in favor of the new charter, for simultaneously there appeared notices in the press calling for three distinct citizens' meetings. There seemed to be general rejoicing that at last the odious Standard-Oil Addicks-Bay State Gas outfit with all its corruption and unwholesome wrangling was to be deposited outside the city walls.

The experience of any man who has had to do with political and financial affairs invariably shows him that nothing ever happens of itself. Thunderbolts do descend from clear skies, but an enemy and not nature has hurled them. A clever tactician will always look for his antagonist's hand behind any isolated or detached fluctuation of public feeling which bears in the slightest degree upon his problem. In going over the circumstances, looking for the correct interpretation of the appearance in our field of this second Richmond, I took into consideration the fact that H. M. Whitney was deep in a speculative venture, Dominion Coal, which owned vast tracts of these low-grade coal lands in Nova Scotia, and it was known he had been trying vainly to utilize their products in the locomotives of the Boston & Maine Railroad and several other ventures in which he was a controlling factor. In one way it seemed reasonable that if Whitney really had found a way to

Frenzied Finance

get something out of his coal, he was justified in making the best possible use of it. On the other hand, I could not but see how the new project brought about the very situation at which Rogers had so long been aiming. Selling gas at 75 or 50 cents, the new company would absolutely command the business; the old companies must go bankrupt, pass into a receiver's hands, and in due course would be absorbed by the Whitney corporation. That would leave but one gas company in complete control of the Boston field, and it would not be bound to continue the low prices when competition had disappeared, but would be legally free to go back to the old rates of \$1 and \$1.25. In a combination which so completely went Rogers' way, surely his fine slim Italian hand might be perceived at the throttle.

Once I had made up my mind by what we were confronted, I lost no time. Inquiries revealed that Whitney's alleged control of the Legislature was not exaggerated. In fact, it seemed eager to do his bidding in any direction. There was no space for negotiation or deliberation, so I returned his bomb with another, which, exploding in his breastworks, created as much of a sensation as his own had done. I did not believe Whitney could do with Nova Scotia coal the things he claimed, but, whether or not, if he got his charter, Rogers' object would be accomplished. If he were absolutely bound, however, under heavy bonds to do exactly as he had promised, his proposition would be so loaded that it might go off in his own hands and blow him to pieces. The next day I went personally before the Legislature and agreed to pay the State of Massachusetts \$1,000,000 for the charter Whitney had applied for, and offered to give bonds to do all the things Whitney would give bonds to do on receipt of it.

This proceeding caused a halt. It startled the public and set the Whitney forces agape. My proposition was decidedly novel, and on its face absurd—the State could not under the law accept a million dollars or any other sum for its charter—but, on the other hand, it was the quickest-acting horse-sense producer that could possibly have been brought to bear. It was discussed everywhere. Men said: “Why not? If the State has a valuable thing to give away, why should it not go to the one who will pay the people the most money for it?” I had outflanked the enemy, and if he gave battle it would have to be on my conditions. Whitney was furious, and his privately owned Legislature cursed me for interfering with its plans; but he and they recognized my advantage, and that night I had a call from Mr. Whitney and his attorney, George Towle.

“What are you trying to do, Lawson?” Whitney asked.

“Only trying to protect from destruction the Boston gas companies of which I am vice-president and general manager,” I replied.

“But my proposition is a perfectly legitimate one,” Whitney objected. “I have got hold of this invention, which enables me to utilize my Dominion coal in such a way that we can make coke out of it, and at the same time get all the gas. This coal is cheap to produce and costs little per ton to bring in. So I can sell gas cheaper than you can make it.”

“And we have a plant for the manufacture and distribution of gas which has cost us seventy years and millions of dollars to get together, and we have also the customers to whom you must sell your cheap gas,” I returned. “If you can really do what you claim, why not go ahead, make your gas, and sell it to us? We will distribute it to the people and we will divide the profit, and you will make as much as though you did it all, for you will not have a fight on hand nor be obliged to build up a duplicate plant. That's all you can do now; you cannot get a charter to duplicate our plant, because whatever price you offer the Legislature for it we will go you a few hundred thousand better.”

We argued for hours. I showed him that if he finally prevailed and got what he was after, his charter would bind him to the absolute fulfilment of his promise under bonds that would make it unprofitable and dangerous. He finally made up his mind that such a victory was not worth winning, and he said to me:

“What kind of a hitch-up can I make with you and your companies?”

“Any fair one,” I replied. “This is the situation as I see it, and I'm going to be frank: You say you have a good scheme, but you certainly have a Legislature, and you have evidently entered into a compact with Rogers whereby he is to utilize what you have, to knock us on the head. Now we have fairly checkmated you, and Rogers is out. Seems to me you owe it to us and yourself to give us the same chance you offered him. Let us utilize your plans to save ourselves and to knock Rogers on the head. But first, are you free to go on with us without explaining things to 'Standard Oil'?”

Whitney assured me that his arrangement with Rogers was tentative, depending on whether he could get

Frenzied Finance

the charter and could carry out his other plans.

After some further manoeuvring we agreed that we should withdraw our offer from the Legislature, that Whitney should secure the new charter, and that it should be so worded as expressly to allow his company to lay pipes, manufacture, buy or sell gas, and to consolidate any or all of the existing or new gas companies in the State of Massachusetts; and that when the charter was granted it should belong equally to the Addicks Boston gas companies and to Whitney. Upon their part the Boston gas companies would buy of the new company all the gas it produced at something less than it was costing them to manufacture it under the old process. That bound us to nothing dangerous, and we were not forced to take Whitney's gas unless he actually got the results he promised.

At this time I knew nothing whatever of the workings or the wire-pullings of State legislatures. My business life had been engaged at the stock end of corporate transactions, and I had not troubled myself about franchises, or how they were obtained, being content to play my part with the manufactured product with which we dealt on the market. In a general way I knew political corruption existed. That Rogers had obtained favors for his Brookline Company through bribing officials I had good grounds to believe; I had read of strange doings in connection with H. M. Whitney's West End Railway franchise obtained from the Massachusetts Legislature amid an accompaniment of much public scandal; but being quite without personal experience I had no clear conception of how things were done and, innocently enough, I asked Whitney before we parted:

“How is it possible for you to get this valuable charter from the Legislature, particularly with such a strong and honest man as Roger Wolcott in the governor's chair, when Addicks has been trying continuously for four or five years, regardless of expense, to secure an ordinary one under which he can combine our gas companies?”

George Towle answered for Whitney:

“Lawson, that part of the transaction is no affair of yours. Mr. Whitney will absolutely guarantee to deliver all those goods, and should it prove necessary to override the governor in getting them, he will guarantee to do that too. You can call all that done the minute we sign papers.”

There was no doubt the new combination was a winner for both of us. If Whitney got the charter, he would be in a position to make a lot of money out of his Dominion Coal stock, which would surely go up with a bound in company with Bay State Gas stock when it became known that our companies were in the new deal. Besides, all the talk he would make over the value of the charter would help create a market for new stock which we would issue for the purpose of obtaining funds to buy Rogers out. Later, if Whitney's invention was what he imagined, his own profit would run into millions and our properties, having the sole right to distribution, would be stronger than ever. That meant resuscitation of Bay State Gas, and that all the stocks and bonds held by my friends and the public would return splendid profits.

I tested the scheme in all its aspects and found only one weak spot in it. We, the Boston companies, were to “go snags” with Whitney in the results of a legislative game in which he was to bear the expense of getting a charter, and as Whitney and Towle said it was to cost them \$250,000 to \$300,000 to get it, it looked as if there would be some nasty business done at the State House.

I do not set up for a saint, nor to possessing exclusive virtues which distinguish me from the ordinary American citizen who does business for gain. In reiterating that the bribery end of our “hitch-up” with Whitney did not appeal to me, I am neither pluming nor crowning myself; I am merely stating a fact. This was an emergency, however, I could not regard as a mere personal concern. It was my duty to care for the interests of a great property which must not be endangered by my scruples, and I was willing to be advised by my business friends in the matter. I went round among my most conservative banking, business, and newspaper connections and put hypothetical questions to them bearing on my difficulty. In nearly all instances the replies were the same, and the subject seemed to be regarded as a joke—what were legislatures for, anyway, but to be “fixed”? All who did business with legislatures “fixed” them, and Whitney was certainly the star “fixer.” I frankly stated that I considered bribing a legislator as a low-down crime and that I did not believe it was done in our strait-laced old Commonwealth as freely as they all seemed to imagine. Thereupon I was sarcastically referred to my Bell Telephone, New Haven, and Boston & Maine Railroad friends, to the organizers of trust companies, and to many other representative pillars of social and business society who had had occasion to

Frenzied Finance

deal with the State. I started at once a round of investigation among men who would talk frankly to me, and discovered that a most iniquitous condition existed. Massachusetts senators and representatives were not only bought and sold as sausages or fish are in the markets, but there existed a regular quotation schedule for their votes. Many of the prominent lawyers of the State were traffickers in legislation, and earned large fees engineering the repeal of old laws and the passage of new ones. Agents of corporations nominated candidates for office, and paid the expenses of their election in return for votes for a favorite measure and promises to “do business.” The Legislature was organized on the same basis; its executive officers were chosen because of their subservience to certain corporation leaders; committees were rigged to do given things and prevent other things from being done. Above all, I learned that the chance of a citizen of Massachusetts obtaining a charter from the Legislature of his State, unless he had money to put up for it, was about as good as a hobo's of securing a diamond and ruby studded crown at Tiffany's by explaining that he wanted it. In fact, the citizen's request would be regarded by senators and representatives very much as Tiffany's would regard the hobo's—as a joke first, then as an impertinence.

Right here I desire to say to my readers and especially to all those hypocritical and ignorant people who, imagining any strong statement must express a strong prejudice and not a fact, will cry, “He overstates! He exaggerates!” that in years after when I had full opportunity to study at close range the Massachusetts Legislature, its workings and those who worked it, all the impressions I had received at this time were absolutely confirmed. I do not hesitate to state, then, that:

The Massachusetts Legislature is bought and sold as are sausages and fish at the markets and wharves. That the largest, wealthiest, and most prominent corporations in New England, whose affairs are conducted by our most representative citizens, habitually corrupt the Massachusetts Legislature, and the man of wealth connected with such corporations who would enter protest against the iniquity would be looked on as a “class anarchist.” I will go further and state that if in New England a man of the type of Folk, of Missouri, can be found who, after giving over six months to turning up the legislative and Boston municipal sod of the past ten years, does not expose to the world a condition of rottenness more rotten than was ever before exhibited in any community in the civilized world, it will be because he has been suffocated by the stench of what he exhumes.

To return to my story, after my investigations I again saw Whitney and Towle, and they, not relishing my remarks on the subject of bribery, told me frankly to attend to my own part of the affair and leave their part to them. At this stage I called in Addicks, our corporation counsel, and some of the largest holders of Bay State bonds and stock, and put before them the bargain I had arranged with Whitney. They all agreed it was an excellent combination, and ratified the terms I had proposed to Whitney. It was further agreed that Whitney should make over to us one-half ownership in the new company, which we were to transfer to the Bay State Company after the charter had been granted.

There was every reason at this stage in the deal to regard victory as assured, for it did look as though the flapping sails on our much-buffed and battered craft were at last to be filled with a lusty breeze strong enough to carry us to the harbor we had so long been trying to make. Besides what we ourselves could do and had already done, we now had Whitney for an ally in the deal, and certainly he was a stock-selling power throughout New England. He had agreed to go before the Legislature and the public, and pledge his word that his scheme would do all the wonderful things he had promised for it.[8] And when amid acclamation the charter was awarded and it became known that we were its beneficiaries, I could see our stock soaring.

FOOTNOTES:

[8] As a matter of fact, he did, later, in the peroration of an eloquent address before a public legislative hearing, electrify the law-makers with: “I here and now pledge my word, my fortune, and my sacred honor to the fulfilment of these promises.”

CHAPTER XX. AN AWKWARD ATTACK OF APPENDICITIS

In no walk of life is that head–light axiom, “Man proposes, God disposes,” so often flashed plump in the eyes of enthusiastic travellers for their bewilderment or befuddlement as in finance. At this very moment of success I was, without knowing it, on the brink of ruin, owing to causes and conditions which were beyond human power to calculate or foresee. Here is what happened:

All the details of our bargain having at last been agreed upon verbally, it was proper the principals should get together and formally execute the documents which should bind the trade. We arranged to meet on a given Saturday at the beautiful stock–farm of Parker C. Chandler, Esq., the Bay State's general counsel, and as secrecy was important, a special train was to take the party the twenty–five miles out of Boston. By an unavoidable accident I missed the train, and in driving over the road in a bleak rain–storm, caught a violent cold. I was about three hours late, but when I arrived we went to work with a will and by seven o'clock, shortly before dinner, our contracts had been dictated to the stenographers and would be typed, ready to sign, by the time we came to our coffee.

That dinner was a thing to be remembered. No one in New England understands more admirably the art of dining than does Parker Chandler, and he gave us a feast worthy to celebrate the brilliant new combination which was to end all our troubles and lead us out of darkness into the light. As the cheese was being served I was seized suddenly with a terrible pain, which was followed by convulsions. They carried me to a bedroom; lawyers and capitalists went scurrying after doctors, and in the confusion the documents which were all ready awaiting execution were put aside. It was obvious that at that moment I could not O.K. them. At last specialists from Boston arrived and it was diagnosed that I was suffering from an aggravated attack of appendicitis. At two o'clock in the morning, after a prolonged consultation, the consensus of opinion was that my next field of operations would be in another world.

It must have been some time a little later that I, awaking to a brief interval of consciousness, witnessed a tableau, the memory of which invariably rises to my mind's eye whenever I try to mitigate or subdue my feelings of hatred and disgust for Addicks. The room was dimly lit; the two doctors were at the foot of the bed; Addicks, standing beside them, was looking fixedly at me. I caught his eye; doped as I was with opiates I saw the cold, calculating expression of his face, which told me as plainly as words that he felt it was all up with me, that my usefulness to him was at an end, and that without a thought for my interests or a scintilla of regret, he was calculating how to turn my death to his advantage. An amused conviction of the man's heartlessness crept over me, and then I passed out into the land of dreams.

From that night until one bright morning ten days later, I was visiting other worlds than those of finance and gas; but on the tenth day they told me I had eluded the grim ferryman and, barring accident, might get out into the world again in five weeks. A suspicion which owed its origin to that glimpse of Addicks on the first night of my illness awakened in my mind, and the following day I sent for my principal attorney and demanded an exact statement of what had happened in the interval of my illness. He had kept close track of all that had occurred, and the facts he revealed, calloused as I was to the thought of Addicks' baseness, horrified me by their cold–blooded villainy. My associates had gone ahead with a vengeance, without waiting a minute to see whether I should live or die. My offer to the Legislature had been withdrawn; Addicks had substituted his name for mine in all the documents, and then he had traded with Rogers. It had been arranged between them that Whitney should go on and get the charter, which was to allow the company to sell gas at any price, for it was not to be under the supervision of the gas commissioners, who had pledged the public that the price of gas in Boston should not ever be more than \$1 per one thousand feet. This obtained, a new corporation was to be organized, into which Rogers would merge his companies, and Addicks our Boston properties, in such a way as to leave Bay State stock and bondholders high and dry, while Addicks, Whitney, and Rogers reaped tremendous profits. These amiable plans were being hammered into shape at top speed, and unless I could get into harness at once, my friends and I would most certainly be ground up. Head–quarters had been opened at the Algonquin Club, and there Addicks, Whitney, Towle, and the lawyers and lobbyists were holding day and night sessions.

Frenzied Finance

There was but one thing for me to do, and I lost not a moment. I sent for my doctors and said: "I will devote to-day, to-morrow, and next day to getting well; but on the fourth day I will be moved in a special car to Boston and then to the Algonquin Club." I explained the situation and showed them that regardless of all consequences this must be done.

I shall never forget the expression on the faces of these loyal associates of mine—Addicks, Whitney, and the others—when I dropped in upon their deliberations Saturday morning, four days later. My doctor, a nurse, and my lawyer accompanied me, and I was swathed in flannels and shawls. I got to a chair, dismissed my attendants, and launched in. What little I had to say would be brief, I told them, but "edgy." It was all that. I insisted that we should go right back to our old bargain exactly at the place we had left it the night I was taken ill. If they did not comply, I would make application for a receiver for the Bay State companies and give to the afternoon papers the inside facts of the affair from beginning to end. No one doubted either my ability or my determination to carry out my threat. We sent for the documents that had been prepared at Parker Chandler's, and inside of three hours these had been substituted and the several agreements entered into with Rogers formally renounced. I retired to bed that night with a chuckle of self-satisfaction, and a convincing appreciation of the truth of the axiom I have referred to.

The low-down treachery and double-dealing characterizing this transaction, the utter callousness to sacred obligations it exhibits in men of presumed high standing and personal honor, may surprise my readers. I assure them that several such episodes will be told in the forthcoming pages of this history. Indeed, among a certain school of eminent financiers, loyalty is no more than devotion to the opportunity of making the highest profit. If circumstances shift this from the side of their enlistment to that of an adversary, their arms and hearts go where their pockets lead. It must be remembered that the Hessian who "down-town" is steeped in perfidy, trickery, and fraud, may appear before the "up-town" world as a Christian citizen and an example of domestic virtue. The type is not uncommon nowadays of the pleasant and proper gentleman, prompt to knock down any one daring to asperse his veracity after five any evening and all day Sunday, but who considers himself free to engage in any dirty juggle or misrepresentation from 9 A.M. to 4.45 P.M. In office hours you run no risk in calling him a liar, for then he'll laugh at the joke and tell you business is business. However, the foregoing episode was an experience that left an indelible impression on my mind, and the hatred and disgust it engendered precipitated events out of which in the course of years came the offences and injuries that are responsible for the story of "Frenzied Finance."

The immediate results of my reappearance were not startling. Rogers raved at Addicks and especially at Whitney, but he was too old a student of men, and the monkeys Dame Fortune makes of them, to sulk over the facts he could not remedy. He soon resumed his former attitude of waiting for something to turn up, which indeed he had maintained ever since my unsuccessful effort to make terms with him.

Fate had not yet tired, however, of playing shuttlecock with our hopes. The world learned one morning of a new gas called acetylene, clear, brilliant, cheap, and simply made from calcium carbide. It would surely revolutionize gas-making the world over, and the company which could secure the right to it would have those who could not at its mercy. Addicks moved like a flash to gather in the advantage, and the announcement that the new gas had been proved a success was coupled in the press with the news that the Bay State Gas had captured the invention for New England, and was to pay millions for it. This did give a boost to our securities, and for a time it looked as though we had clinched our success with another rivet. What Addicks had done was this: He had bought the right, subject to the test of a big public demonstration. For this demonstration a fine flare-up was arranged. Eminent mayors, counsellors, and gas magnates were to attend in multitude, and if the invention met its engagements, there would be such a blaze of publicity and congratulations that we felt sure our new stock would go off like hot cakes. The demonstration proved in a most sensational way that acetylene was a failure—a tremendous explosion occurred; three men were killed, many others injured, and next day back went our stock to its old figures.

All this time I had sought most diligently for the real solution of our troubles—a method of purchasing Rogers' companies. A substantial guarantee there must be, not only for the performance of our financial engagements but to insure to Rogers the integrity of his properties while under the domination of Addicks. The difficulty was, in the weakened condition of the company, to put together any satisfactory guarantee. Others in our group had wrestled with the problem as strenuously as I had. Suddenly, a few days before May,

Frenzied Finance

1896, the light came to me. All the time the solution had been in our hands, and, beset as we were, it had never occurred to any of us. We absolutely controlled the old Boston gas companies. They were intrinsically among the richest corporations in Massachusetts, and although their stocks were pledged for the \$12,000,000 of bonds held by the public, they did not owe a dollar. Though the terms of the agreement between the Bay State Company and the Mercantile Trust, which held their shares, precluded them from contracting any debts, they were empowered, through us, their officials, to buy or sell gas, and all their great wealth was behind such contracts. If, then, we agreed on their behalf to buy gas of the Brookline Company for a term of years at such a price and in sufficient quantities to give the latter concern a profit equal to ten per cent. dividends on its stock, surely we had complied with the very letter of Rogers' exaction. Testing the idea in one way and another, I found it sound as a bell. The problem after that was to get into shape for the substantial issue of new stock we must make to pay for our purchase. The banks and trust companies were loaded up with our securities pledged for loans, and before there could be any conviction behind our prosperity it behooved us to get all our valuables out of pawn. I went to Mr. Rogers and frankly told him I had solved our problem and his by a financial invention of my own. I entered into the details of our plan, explaining it would not even be necessary for us to buy any gas of him, because we would turn over a sufficient number of our own customers to the Brookline Company to secure to it the required profit. He saw in an instant the scheme with all its far-reaching possibilities, and assented. Then I broached the rest of my plan—we would pay him four and a half millions in six months. To do this we must sell stocks and bonds. Before we could do that it was necessary that he help us still further—he must buy of us all the bonds now in pledge and the stock of the Dorchester Gas Company, another Bay State asset up for security, all for the sum of a million and a half dollars. For this amount these securities would at once be released and turned over to him. Then he should resell them to us together with the Brookline Gas Company for six millions of dollars. There would be a formal turning over of the management of his properties so the public should be convinced that we really were the victors in the strife. Mr. Rogers saw my point, quickly ran over the details in his comprehensive way, and closed the trade without further bargaining. That time, thank Heaven, it was not within Addicks' power to thwart me.

On May 1st we made our settlement in compliance with the terms I had arranged. The six millions of dollars were to be paid November 1st. As the necessary options and sales could not legally run to our company, they were made to Henry M. Whitney, and he simultaneously transferred them to us, and we elected him a director of our different corporations. Rogers publicly resigned and turned over to us the control of the Brookline Company, and we elected our own management. To all intents and purposes we had won.

The settlement was the sensation of the day in financial circles, and I was the recipient of many generous congratulations. I had neither time nor inclination to take care of bouquets at that moment, however. I was too keenly aware of the difficulty of raising six millions of dollars in the limited period at our disposal. Times have changed since 1896. Then six millions was quite a large sum, larger than sixty millions now. That was before the halcyon period of "Frenzied Finance."

CHAPTER XXI. BRIBING A LEGISLATURE

That six months between May 1st and November 1st was the most crowded period in all my experience up to that time. Events of consequence tumbled over one another in startling succession. We actually lived on sensations. In exercising the historian's right to choose the order of setting down incidents I am puzzled as to which to give precedence. Shall I begin with the sensational bribery of the Massachusetts Legislature which occurred within this period, or with the episode that was the exciting climax of that interval of trial? About this time, too, occurred the laying of the foundation of "Coppers" and Amalgamated, but that certainly requires a chapter to itself. However, as all are starry examples of what made "Frenzied Finance" possible, and as any one fits into my story as well ahead as behind the other two, I'll take them in the succession above set down.

The Whitney machine for the manufacture and moulding of legislation was complex but efficient. It achieved its wonders in broad daylight. Considering all it did and how that all was accomplished, the astonishing fact is that no outcry to speak of was ever raised at its performances. It was vastly bolder than Tammany and made fewer excuses for its grabbings. It must be remembered, however, that its chief engineer was a leading citizen, and his assistants all gentlemen of great respectability and admirable antecedents, and, in Boston, social and civic distinctions are shields behind which much may be concealed.

Corrupting a Legislature is not something a man may do with a fillip of his finger and thumb. However bold the operations, the convenances must be observed. When really large designs are entertained, the manipulator sets to before the preceding election and has his "lawyers" at work throughout the country interviewing candidates and ascertaining their feelings. Thus a certain percentage of votes are signed and sealed in advance, ready for delivery at the proper time. But there is always a crowd of new men who must be taken care of on the spot, and these must be approached with tact. Some amateurs have fanatical notions of honor which interfere with both their own and the interests of franchise-grabbers. To deal with all contingencies, to take care of captured votes and to shape legislative proceedings along safe lines, requires the services of almost an army of men.

At the head of Whitney's forces was his lawyer, George H. Towle, big of brain, ponderous of frame, and with the strength of an ox. A man of terrific temper, he knew not the meaning of the word fear. Nothing aroused him to such frenzy as to have to do with a legislator who unnecessarily haggled over the price of his vote or influence. On occasions when a lieutenant reported that Senator This or Representative That would not come into camp, Towle, with an oath, would say: "Take me to him, and I'll have his vote in ten minutes or there'll be occasion for a new election in his district to-morrow!"

Second in command was Mr. Patch, Towle's secretary and factotum, his exact opposite in every way. Where Towle was brutally straight to the point, Mr. Patch was as smooth an intriguer as ever connected himself with secrets by way of keyholes and transoms. It is a Beacon Hill tradition that for years Towle on final-payment day would have the members of the Massachusetts Legislature march through his private offices one at a time, and, handing each of them their loot, would proclaim: "Well, you're settled with in full, aren't you? That represents your vote on ——and on ——." Then he would loudly identify the bill and the particulars of the service, while behind a partition with a stenographer would be Mr. Patch, who after the notes had been written out would witness the accuracy of the stenographer's report. When the Legislature assembled again, old members, the same story goes, would be requested to call on Towle to renew acquaintanceship. Then he would allow them to look over his memoranda "just to keep them from being too honest," as he gently phrased it.

Subordinate to Towle and Patch was a long line of eminently respectable lawyers known over the Commonwealth as "Whitney's attorneys." These men assisted at nominations, orated at elections, and took care of the finer preliminary details. The first line of attack was composed of practical politicians of various grades—ex-senators or representatives, and local bosses, who were known as "Whitney's right-hand men." Below these were the ordinary lobbyists, the detectives, and runners, who kept "tabs" on every move and deed, day and night, of the members of the Legislature. This was the Whitney machine, and it worked together

Frenzied Finance

with that fine solidity and evenness which can be attained only by constant practice and much success. In comparison with this competent organization, an average “Tammany Gang,” a “Chicago Combine,” or a “St. Louis Syndicate” would look like a hay-covered snow-plough in August.

It is seldom the public is given an opportunity of seeing a picture, drawn to life, of the Legislature of one of the greatest States in the Union in the act of being bribed to grant the votaries of “Frenzied Finance,” for nothing, those things which should and do belong to the people, and for which the “System's” votaries would willingly pay millions of dollars if they were compelled to. I shall dwell on the performance that ensued at this juncture of my story long enough to present an outline of such a proceeding.

Head-quarters for Whitney's Massachusetts Pipe Line were opened at Young's Hotel—Parlors 9, 10, and 11, Rooms 6, 7, 8, second story front. Parlors 9 and 10 were the general reception-room, while 11 was reserved for the commander himself and for important and “touchy” interviews. The rooms 4, 5, 6, 7, 8 were used for educational purposes. In the morning the place was deserted, but at noon the parlors began to fill up with the different officers of the “Machine” and their friends, trustworthy members of the Legislature. A little later an elaborate luncheon would be served, the supernumeraries eating in one room, Towle and his chiefs and the legislators in the other. At table the gossip of the morning session at the State House was exchanged and the work laid out for the afternoon legislative and committee sessions. Another interval of silence and peace until at 5.30 the real business of the day began. Mr. Patch was generally on the ground first, carrying the books in which the bribery records were kept, for he remembered that the efficiency of the Whitney machine was largely due to the thoroughly systematic manner in which its operations were conducted. Nothing was left to chance or to any one's memory. In turn, the subordinates presented careful reports of the day's transactions. At 6.30 Mr. Towle would go over these documents, “sizing up” the actual results for submission later to the chief himself. Between 7.30 and 8.30 the “Machine” dined; the remains of the feast having been removed, the doors were locked and the books brought out.

If an outsider could possibly have obtained the entry to the head-quarters of the Whitney Massachusetts Pipe Line, say at nine o'clock any evening during the session, he might easily have imagined himself at the Madison Square Garden or at Tattersall's on the evening of the first day of an international horse-sale. This is what he would have seen: In Parlor 10, seated at a long table a dozen of Mr. Towle's chiefs, all in their shirt-sleeves, smoking voluminously; before each a sheet of paper on which is printed a list of the members of the Legislature; against every name a blank space for memoranda; at the head of the table Towle himself, frowning severely over a similar sheet having broader memoranda-spaces. One after another the chiefs call off the names of the legislators, reporting as they go along. The outsider would have heard droned monotonously: “..... from not my man; from my man and 's man; seen to-day, stood same as yesterday; from, raised price \$20, making it \$150; agreed; \$10 paid on account, total of \$90 due; raised because told him that he had got \$20 more from”

As each man reports the other chiefs and Towle discuss the details, and when a decision on disputed points is arrived at, Towle makes a memorandum on his blank, and the chief concerned records the order in the little note-book which each carries. All reports at last in, Towle retires to Room 11 and speedily returns with the “stuff,” consisting of cash, stocks, puts, calls, or transportation tickets, which he deals out to the chiefs to make good their promises for the day. It would have been obvious to the outsider, as soon as he had learned what was being dealt in, that a large proportion of the members of the Great and General Court of Massachusetts had bargained with the different members of “the machine” to sell their votes not only in committee but in full session of the Legislature, and that the price was to be paid when the votes were cast, though something was invariably exacted on account, to tie the bargain. Payment was made in cash, calls on Bay State Gas or Dominion Coal, or transportation on any of the railroads in the United States or Canada. The latter appears to be a class of remuneration Towle favored, probably because it cost nothing.

The conference seldom closed for the day without Towle admonishing his subordinates: “The old man's getting dead sore at the way his leg is being pulled, and if you fellows don't get those countrymen to play a more liberal game, they'll just drive the boss out of the business, and then there'll be a slump in prices that'll make them prefer to stay home and farm.”

You may ask here, Could such things happen without attracting public attention? Or are the citizens of Boston so habituated to the corruption of their Legislature that they could witness unmoved this wholesale

Frenzied Finance

bribing campaign conducted in full daylight from Young's Hotel? Thank Heaven, this is not so. There are in every American community honest, sturdy souls who can be depended on to come forward in emergencies and cry out aloud against a threatened political crime. Above the brute hubbub of a city's roar their voices are heard like the voice of conscience, and the hurrying throng pauses a second in its mad rush after dollars to listen to their tale of the Commonwealth's wrong. But what's in the air is not on earth. The practical politicians, whose affair it is to heed and counteract these honorable protests, laugh contemptuously at the vanity of any contest between theories and the "stuff." They know the overpowering logic of gold.

There were public meetings in Boston; good-government clubs throughout the State met and "resolved"; citizens' organizations howled robbery and malfeasance. For a few weeks all Massachusetts seemed wrought up. From the space the papers gave the protestants one might have imagined that there was a chance for virtue, but the results of the clamor were more apparent than real. Day by day, night by night, the "machine" ground away at Young's, and as its product fell into the hopper Whitney and Towle only smiled at the clamor and awaited the moment when, as Towle coarsely put it, "the reformers would have yawped themselves to a standstill."

That day came at last. One by one, all in a perfectly orderly and methodical manner, the giving-bonds-to-compel-promises clauses, restrictive amendments and other people's safeguards had been voted down and the "Are you ready for the main question?" having been put in both houses, the Massachusetts Pipe Line Charter was duly passed and sent on to the governor. It required his signature to make the bill a hard-and-fast law, and that once appended, all Towle's "promises to pay" became due.

As the campaign neared a finish Whitney had, a number of times, informed his chiefs, and they the members of the Legislature, that the governor had given personal assurance that if the bill passed both houses, he would sign it. On this score all interested had been relieved of doubt, and immediately upon the Senate's favorable action Bay State and Dominion Coal shares advanced in price. During the period the governor had the bill under consideration there was an active and rising market and a great volume of transactions on the Stock Exchange. Apparently the day of our peace and prosperity had dawned at last. But we were not yet out of a gnarled Fate's clutches.

In the midst of a strenuous forenoon of trading, suddenly, without the slightest warning, both stocks began to sink in price like pigs of lead from a capsized boat. At once I was on the defensive. To prevent a wild market panic during the few minutes consumed in getting telephone connection with the State House, I had to purchase thousands of shares. I knew that something disastrous had happened, but was not prepared for the startling information that came over the wire: "The governor has vetoed the Whitney bill with a savage message." My informant told me that Towle and his men were making for head-quarters on a run. As I hung up the receiver, the bell rang again. In a second my telephone with Whitney's office was in the middle of a spasm.

"Have you got the news, Lawson?"

"Have I got it? The tape is screaming it.[9] Bay State and your stock are racing for the bottom," I replied.

"What shall we do? This is a thunderbolt."

"Do?" I replied. "It's for you to say what to do. That's your end, not mine, but from now until three o'clock one thing you must do, or there'll be no further thinking on the subject—protect Dominion Coal—have your brokers on the floor every second and tell them to buy all that's offered. Beat a slow retreat if you must, but prevent a wild break. Things at the Exchange are bad now. I'll take care of Bay State. Look out for Dominion at once, and when you are through I must see you—where?"

"At Young's in ten minutes."

"I'll be there."

Ten minutes later I was in Whitney's head-quarters. There pandemonium reigned; all the cocksureness and bluster of the "machine" had vanished, and it was a horde of clamorous and excited men I found struggling round Towle and Whitney, who vainly sought to stay the panic. It was not disappointment at the governor's message that had so stirred these hardened practitioners of politics, but the terror of impending loss. The majority of the Whitney band, lawyers, lieutenants, and water-carriers had bought one stock or both on margin, and had assured their friends it was safe to plunge to the limit.

On earth there is no more pitiable sight than the panic of a herd of novice stock-speculators suddenly

Frenzied Finance

awakened to a realization of their ruin. The ticker clicks a sort of death-watch as the merciless tape, without hitch or let up, reels off destruction. To such desperate beings the stock operator—the market-maker—is the straw to save them from drowning, and to him they turn as the one possible source of aid and hope. I only knew these men at sight's end, but they knew me and were sure in their abject plight that I could help them—by what wizardry they never stopped to think. They were terribly certain that unless the market turned, their brokers must have additional margin or their stock would be thrown overboard, sinking prices still lower and bringing down their friends' stock, and so on, like a row of falling bricks.

From their comfortable viewpoint of out-of-temptation virtue, my readers may regard these lawyers, lieutenants, and water-carriers of Whitney as bad men, deserving of no sympathy, meeting here a righteous punishment; but, my word for it—and I know the world and the human ants and spiders who inhabit it—while they bore no marks of immorality, they were the average men one meets in one's journey over the bridge between the two unknowns.

My talk with Whitney and Towle was brief and pointed. It was no time for pow-wow. It was the moment for action. Men who do things in stock-markets never waste time over milk that is in the gutter. How to get new milk to replace that spilt is their care.

“What are you going to do, Mr. Whitney?” I asked.

George Towle started to explain. I stopped him.

“The market is bad,” I said, talking quickly. “If time is dribbled, it will be worse, and—and Boston will be a warm place for you, Towle. It would not surprise me if it got warm even for Mr. Whitney, when the desperate men who are filling the brokerage shops and the corridors outside demand a reason why they were egged on to buy stocks on Mr. Whitney's word that the governor would sign. No excuses now; I want to know from Mr. Whitney just what he proposes to do. You both told me the legislative end was none of my business, and, thank Heaven, it was not. You said it was your business. Now, how about it?”

Henry M. Whitney is a great general. He also can light his cigar, when the battle's on, with the friction of a passing cannon-ball.

“I'm going to pass it over the governor's veto,” he instantly answered.

“Can you do it?” I asked.

“I can, for I must.” He meant it. It needed but one look into his and Towle's eyes to see they both had read the message on the back of To-morrow's visiting-card.

“All right,” I said. “Let your people have the word, and it must have no doubtful ring; tell your brokers to buy Dominion Coal, and don't let them stand on the order of their buying. Dominion Coal must be put back, regardless of how much it costs or how little you want what you must buy. I will turn Bay State before three if it is necessary to trade in the whole capital stock to do it.”

As I came out of Parlor 11 to rush back to my office I said to the despairing men who crowded the corridor outside the head-quarters, and who had in their desperation thrown all caution or thought of concealment to the winds: “Coal and Gas look to me like good buys.” The sudden revulsion of feeling was pathetic. In a minute the news had spread by way of them to their brokers and their suffering friends: “It's all right; Whitney and Lawson are buying stock.” It got to the Exchange almost as soon as I did.

We turned the market.

That night Whitney and Towle's plans were mapped out to the army and their orders despatched with a vicious snap that plainly said: “Whoever attempts to put the Whitney machine in a hole will be shown no mercy.” The morning papers announced that Whitney had picked up the gantlet Governor Wolcott had thrown at his feet, and—all roads led up Beacon Hill.

It was a quick, sharp set-to. Every man was lined up with a jerk, and when the line was tallied up and tallied down and Towle had consented to the last raise in price of votes and given away to the final squeeze, the word went up and down the ranks that the Whitney bill would, on the approaching last day of the session, go flying through both Houses over the governor's veto with a vote or two to spare. Again the prices of the two stocks shot upward.

Then, sharp and quick as a bolt of lightning, Fate, who apparently had been camped on the trail of Bay State Gas and Addicks from the first, let fly another of her quiver's contents. On the morning of the closing day of the session (the one selected for the Whitney coup), there slipped in and out amongst the Whitney

Frenzied Finance

legislative ranks a man with a story. As each legislator listened, his brow knitted and he nodded assent. The story was a simple one: In one of Whitney's former campaigns, desperate like this one, on payment-day Towle had gone back on his promises and forced the acceptance of a fifty-cents-on-the-dollar settlement; and, so the story now went, he, Towle, had put the saved fifty cents, a matter altogether of some \$75,000, in his own pocket. Probably he was now going to repeat the operation on an even larger scale. In an hour there came to Young's Hotel a trusty messenger who delivered to Towle himself the ultimatum of the Great and General Court of the dear old Commonwealth: "Money in advance or no bill!"

Consternation reigned. The army was quickly recalled to head-quarters, and despatched back to the State House to put through every manoeuvre known to the two veterans—but to no purpose. The Great and General Court stood its ground, openly defied the army and hurled back into Towle's teeth all his frantic threats. It was the last day, and the Great and General Court was intrenched inside the protecting walls of the State House, and it knew that before it could be compelled to come forth to face Towle he must come to a decision. A terrible dilemma, surely, for the amounts promised had run up to such an enormous aggregate that it was impossible to pay all in so short a time, even if such had been Whitney and Towle's intention. Yet to pay one or a few of the dangerous malcontents meant to pay every one; the gang had firmly banded themselves together.

This was the real moment of panic. Even Whitney and Towle were at their wits' end. Finally, in desperation, and as a last resort, Whitney rushed to the governor, threw up his hands, and asked for mercy. "What would the governor sign?"

Massachusetts' able and fearless Governor Wolcott, who seemed to have been expecting some such outcome of the battle, gave his answer clear as an anvil-blow:

"You have told the people your company would give them cheap gas. Bind yourself to do it by amending the charter so that the highest price your gas can be sold at will be sixty cents. Then I will sign."

There was nothing else to do.[10] At the last minute the amendment was inserted. The governor's representative gave the word that it was satisfactory, and it passed.

I was in my office taking care of the market. Of the stampede I knew nothing. Suddenly came the word: "The Whitney bill has passed on the governor's recommendation." Both stocks started to jump; then a halt, then—I didn't try to stop the decline, for I saw something terrible had happened. In a few minutes the news was on the Street: "The charter was not worth the parchment upon which it was engrossed."

The biter had been fatally bitten.

The market closed with the tape and ticker fiercely, exultingly shouting "Ruin!" with each tick and slip: and that night Whitney's head-quarters was little better than a mob. Frantic men demanded money, money due to them for votes, money they had promised for margins to the brokers before the Stock Exchange opened the next day, and swearing desperate consequences to Whitney and Towle regardless of the effect upon themselves.

Early next morning there came to my office two wild-eyed, desperate creatures, Towle and Mr. Patch.

I had spent the night going over my accounts and those of which I had charge, and in addition to a quick, real loss of over a million dollars, I realized that the immediate future was so hung with dark clouds that I dared not anticipate what the coming day might mean to me and mine; but when I looked upon the big, powerful man, who had always seemed in any light in which I had heretofore beheld him to fear neither man nor God—when I looked and saw his plight I pitied him deeply, sincerely. He carried a large travelling-bag, and Mr. Patch two others.

"Lawson, for God's sake, don't do what they are all doing—don't upbraid me! I've got to get out into the world and be dead to all I know—family, friends, every one. If I stay, it's State's prison or worse, and Whitney says I must go. I've got all the papers together and Whitney has given me what cash he had on hand, and this check of \$10,000. Do me one last favor, get me gold for it. I know I have no right to ask any favors of you, but think if you were in my place. I have a wife and children, and—" and the great, strong man wept like a child.[11]

I called my secretary, and in a short time George Towle with the \$10,000 in gold and the bags of "evidence" faded out of my life and into the gray mist of eternity.

A few days after, a vessel dropped anchor off the island of Jamaica; George Towle's body was carried

Frenzied Finance

ashore and buried, and Mr. Patch was escorted back to the ship. A few days later, with weights of lead to carry it to its last resting-place at the ocean's bottom, the latter's dead body was dropped over the vessel's side. And somewhere floating the high seas are a venturesome sailor-captain and a crew, who when in their cups tell, 'tis said, strange tales of bags of gold and mysterious documents.

As for the members of the Great and Good Court of the old Commonwealth of Massachusetts for the year of our Lord One thousand eight hundred and ninety-six, they received, none of them could tell from where, their promised vote-money in the form of a yarn that the "stuff" belonging to them had been delivered to George Towle, but that Towle had decamped with it to foreign shores, where he was living in luxury with Mr. Patch.

'Tis writ that some crimes are so black and foul that they will not down, and when I read over what is written here, I wonder if there will not some day be another chapter of "Frenzied Finance" written by another pen than mine.

I sent two police officials to the island of Jamaica, and had the contents of the coffin marked "George H. Towle" photographed. I could not photograph the contents of the ocean's depths.

FOOTNOTES:

[9] A stock operator's one reliable source of information is his ticker and tape. For the benefit of those of my readers who are unacquainted with the paraphernalia by which stock-markets and financial operations are conducted, I would say that the ticker is a small printing machine through which passes an endless paper tape. The machine is run by telegraph wires, and it prints upon the tape letters and figures which are abbreviations of the names and prices of all the stocks and commodities dealt in on the stock-exchanges and boards of trade throughout the world. The instant anything of moment happens anywhere, it is reflected by a rise or fall in the price of securities or commodities such as wheat, corn, pork, cotton, etc., that are dealt in in the different stock-exchanges or boards of trade. As soon as a share of stock or bushel of wheat is sold by one operator to another on the floors of the different exchanges, its price is within a second printed on the tapes in the different offices. Therefore what the ticker "ticks" out onto the tape is instantly read by operators throughout the world, and as "the tape never lies," operators turn to it for their real information. When the ticker begins to increase its clatter and the tape to travel fast, an operator will tell you its activity means something unusual is happening. The ticker begins to talk at ten o'clock each week-day morning and finishes at 3 P.M., with the exception of Saturday, when the hour is 12 noon. These are the hours that the stock-exchanges are in session.

[10] The charter as originally passed had gone through by a fair majority, but to pass it over the governor's veto was another matter. That required a two-thirds majority of both houses, and in the brief time at the disposal of the conspirators the securing of the additional votes was wellnigh impossible. From the necessities of the case such votes must cost much more than those of the original supporters of the bill, for it may be taken for granted that most of the members of the minority had already withstood such temptations as the Whitney faction had cared to offer. It was therefore a case of bringing into camp the most honorable and the most expensive members of the legislature, and without opportunity for strategy or manipulation. The sole recourse was rank, flat bribery, and that in full view of a mutinous following ready at the suggestion of the slightest favoritism to the new men to become actively hostile. The task was altogether too fraught with peril, to be undertaken. When they realized how threatening the situation really was, Whitney and Towle decided to make terms with the governor. The charter once obtained, they calculated that the obnoxious clause might be amended out of it at a subsequent session (as a matter of fact this charter, with its 60-cent clause, was afterward made the nucleus of the present Massachusetts Gas companies which has just been floated on a basis of \$53,000,000 capital). Besides, the state of feeling of the legislators and conditions in the stock-market had both to be taken into consideration. It was not the fault of the legislators who had voted for the charter that the governor had vetoed it, for they had been given to understand by Mr. Whitney that he would not oppose it. They had delivered their goods, and now, if the governor's sanction could be had under any sort of a compromise, they would certainly hold Towle and Whitney responsible for failure to make whatever arrangements were necessary.

[11] Towle told me, as he waited impatiently in my office for the gold, that in addition to the great losses the drop in price of the two stocks had inflicted on himself and his associates, there were losses on stocks held by legislators, who had plunged on assurances that the charter would go through, and that the amounts he

Frenzied Finance

would be called on to pay, if he remained, were far greater than could possibly be met.

CHAPTER XXII. PLUNDERED OF THE PLUNDER

So extraordinary a happening as the disappearance of George H. Towle and Mr. Patch, you think, should have furnished a national sensation. And this is the first you have ever heard of it. Bear in mind that here for the first time the facts of this case are set forth in their proper relation to one another, and without the fear or favor that has hitherto prevented them from being understood.

In Boston after the adjournment of the Legislature, however bitter the feeling of the men who had sold themselves, and those others who had lost their all in the crash of stock values that had followed Whitney's defeat, their own complicity enforced silence and prevented outcry. It was given out that George H. Towle and Mr. Patch, tired by their labors, had gone to the country for a brief sojourn. On their return there would be a settlement. And with these assurances, both legislators and lieutenants had, perforce, to be satisfied. Gradually, betrayers and betrayed drifted back to their own homes and their erstwhile avocations, and when the strange story of the disappearance and death of the chief actors in the Whitney drama came from over the seas, it fell on the heedless ears of men who had written off a loss and desired to forget the experience. A conspiracy of silence is easily organized among accomplices.

I myself was the greatest sufferer by the disaster. Banking on Whitney's assurance of success I had loaded up heavily with Bay State on my own account; and my customers pinning their faith to my predictions of a rise, had also bought heavily both of the gas stock and Dominion Coal. In my attempt to support the market when the first decline occurred, I had further increased my holdings, and, at the final break, thousands of shares purchased for my clients were left on my hands. So my loss was very large, many times larger than Whitney's. Like the others, I said nothing, crediting the expense to education, while Whitney silently tucked his emasculated charter into a crypt already furnished with other corporation derelicts, to await some fair opportunity of legislative or other resuscitation; for the instrument, shorn though it had been of its immediate availability, was by no means without real value. Probably in view of prospective contingencies, perhaps with a sense of what his error had cost me, he said to me: "Lawson, the Pipe Line charter is worthless now, but if at any time in the future it becomes valuable, you or your company shall have half of it."

If Henry M. Whitney had kept that promise, what a world of disaster and bitterness might have been averted. Generated in corruption, perhaps it is not strange that this charter has since been so fertile a breeder of dissension and ruin among all who have attempted to handle it. It may be accepted as an axiom of finance that double-dealing is as dangerous to the dealer as to his victim. The fierce conflicts that at intervals burst out in the financial world and like a cyclone spread dishonor and destruction broadcast, invariably are caused by some one man's treachery.

To return to my story. To all appearances, the gas war was over. We bore the palm of victory, but looming up before us was the task of getting together the six millions which Rogers must have by November 1st. That paid, the companies became permanently ours. It was a period of unremitting effort, but the prospects of success were excellent. Addicks had got ready a new lot of Bay State stock, and I had prepared the public to take it. With the proceeds of this stock and the securities which Rogers would turn over to us, we should have money enough to meet our engagement, always provided no slip-up occurred. Since the May 1st settlement our relations with Rogers had been satisfactory—I should say, *my* relations—for he persistently kept Addicks and his crowd at a distance, refusing to have anything to do with them. But it's hard to keep a big pot boiling in the open without some intruder smelling the savor of your soup and sneaking up for a mouthful. Though secrecy had been solicitously preserved regarding the details of our bargain with the "Standard Oil" magnates, certain of the camp-followers of "Frenzied Finance" had nosed out the facts, and at the very moment when our position and prospects seemed most secure a plot was being laid, which, as after-events will show, came close to bringing about the destruction we had thus far managed to escape.

As the time of settlement drew near, it became necessary for me to have frequent conferences with Addicks and his directors, and we opened head-quarters at the Hoffman House in New York. It was my habit to come over for a short time every week, when we got together, reported progress, and discussed future moves. It was at one of these gatherings, on Friday, October 16th, that we had intimation of our peril. I had

Frenzied Finance

come down on the midnight train from Boston and was brimming over with pleasant news and agreeable anticipations. The day and all other things seemed good to me. The air was crisp and the morning sun gleamed brightly on the red and yellow autumn tints of the trees in Madison Square. For a moment I stood on the corner beside the naval monument watching the down-townward procession of cabs and coupés in which the spider aristocracy of finance makes its way to its webs in Wall Street and lower Broadway. In the parlor of Addicks' suite at the Hoffman the directors were gathered when I entered, and with them was Parker Chandler, the Bay State's general counsel. We got down to business at once. I told them how well our affairs were moving in Boston and listened to their tidings of progress elsewhere. We were all in the merry mood of success. The past was nothing but a bad dream; our thoughts were on the rich moments beyond November 1st when we should handle and know the real currency of our victory.

The telephone bell rang. Some one wanted Addicks quick.

Addicks stepped to the instrument. We all heard him say: "Hello." Then—"Is that you, Fred?" (Fred Keller was his personal secretary.) Then—"Yes, I hear you plainly. Repeat it." Then—a minute's wait while we listened. Then—"When will they get up there?" Then—"Send every one home, lock up and go over to the house, and call me on my wire." All this in his ordinary, well-attuned, even voice, without the emphasis of a word to show that the subject was a hair more important than any of the hundred and one ordinary messages which went to make up a large part of his daily life. The talk was so commonplace that we were none of us interested enough to even stop our chatter.

Addicks stepped from the telephone and in a "bring-me-a-finger-bowl" tone of voice said: "Tom, come into the other room for a minute; I want a word with you."

He passed ahead of me through a small parlor into his bedroom. I followed. He went straight to the bureau, took something from a drawer, slipped it into his pocket, turned and dropped upon a lounge. But a minute had elapsed since he had gone to the telephone. Could this gray ghost be the same man who a short time ago had been smiling so contentedly at Parker Chandler's last story? His face was the color of a mouldy lead pipe and seared with strange lines and seams. The eyes that met mine were dim and glazed, lustreless and dead as the eyes of a fish dragged from watery depths.

Courage is not character; it is temperamental. There is an impression that the man truly brave is he who can face sudden, unexpected misfortune or calamity without a tremor or a flicker to suggest his hurt. That is but a single phase and indicative of physical rather than moral qualities; or, perhaps, merely the callousness born of long exposure to danger. One of the bravest men I've ever known stood watching the ticker one day during a downward run. Suddenly I heard "My God, I'm ruined!" and he fell in a faint on the floor. And a certain bank officer, whom I knew to be an arrant coward when arrested for stealing a million, smiled at the policeman who had tapped his shoulder and asked him for a light for his cigarette. Addicks had not turned a hair as he hung up the telephone receiver, and here he was cowering in a mortal funk, abjectly hopeless.

"Lawson, the game's up," he said in a trembling voice. "That was Fred. He says Dwight Braman has had himself appointed receiver of Bay State; that he raided the Wilmington office immediately after he was appointed, broke open desks, and took all the papers he could find, and that in an hour or so he will be in Philadelphia and in possession of all my books and papers. He has a court order for the bank accounts and the right to take charge of our funds."

"This is a startler," I said; "what are we going to do?"

"The trap is perfect, and I'm in it. They've caught me with every bar down. Before, when they attempted to get a receivership, things were ready for them—books and papers packed for Europe and cash in charge of an unserved officer prepared at the first word to start for Canada. But now, a few days before election, when if I don't throw a lot of money into Delaware for my followers, they'll turn on me like wolves—they've caught me napping. It's a plot, sure—a receiver in possession, particularly Braman, and appointed in a way that shows deliberate calculation, proves it was done by some one who knows our situation to a 'T.' It means ruin for me and the company. You know I won't have a friend left on earth, and enemies now will rise up like snakes before a prairie fire."

It was indeed a stiff, tough turn, yet I was watching the man rather out of curiosity to note how he could take a reverse than out of sympathy. I don't believe there was another man on earth who, similarly placed, would not have aroused my pity; but Addicks—no man or woman has pity for Addicks.

Frenzied Finance

“Well,” I repeated, “what are we going to do?”

He did not reply for a moment. I continued to look at him. The eyes haunted me. I noted that the lines round the lids had deepened into furrows. He half raised himself from the lounge.

“I’ve said they would never get me, and they won’t.” Instinctively his hand sought the pocket into which he had dropped what he had taken from the dresser’s drawer. Then I knew. The yellow streak showed plain at last. I had guessed from the start it was there.

The stock manipulator in common with the successful general must have the capacity to deal with the unexpected. The faculty to see a situation whole must be his, to focus instantly the lay of the land, the enemy’s plans and strength, his own resources, the strategic possibilities of his position; and instantly, if necessity demands it, he must be ready with a new plan of campaign fitted to the first emergency. The more rapidly his mind works the safer are the interests he is guarding. But if he has not this capacity, he can never be a market manipulator.

For a moment I could not but pause to admire the devilish ingenuity of the trap that had been sprung on us. The state of affairs that Addicks revealed was about the worst imaginable. I had been on this particular war-path so long that my mind instantly grasped the possibilities of destruction that lay in this new attack. I saw November 1st—no money to pay Rogers; everything forfeited; Addicks in a nauseating scandal; and all those friends of mine who had put their funds into Bay State because of their confidence in my ability to win out slaughtered. No, it should not be if I could prevent it. Other storms we had met and weathered, why not this? Even if it were a tornado, we would “ride her out.” Perhaps we should not be afloat when the rollers subsided, but at least we should be at rest—on the bottom. I turned to Addicks, who, heaped up on his lounge, was staring into vacancy.

“Brace up, Addicks,” I said. “We are not knocked out yet. At least let us find out what has struck us.”

I was some moments in arousing him from his condition of despair, but finally he pulled himself together, and piece by piece we went over the situation. I had to agree with him that he was in an end-to-end-center-pull trap. The cunning machinery he had set up to meet just such an emergency, now that it was in hostile hands, was rather a source of danger than of safety. There was but one way out of the complication—we must undo this receivership and release our properties and funds before November 1st. Addicks, when he got his thinking loom running, declared the receivership was all a “Standard Oil” plot to ruin him. I felt sure it was an independent operation, but there was no time for controversy.

The telephone bell rang again. It was Fred Keller, talking from Addicks’ house. We soon had all the details of the raid. This is what had happened. Dwight Braman, a former Boston broker, now a New York capitalist and promoter, had suddenly appeared in Wilmington, Del., accompanied by Roger Foster, a New York attorney representing Wm. Buchanan, one of the original holders of Bay State Gas income bonds. He held \$100,000. They had gone before Judge Wales, and pleading that the interest on the bonds was in default and that Addicks was dissipating the assets of the company, had succeeded in inducing the judge to appoint Braman receiver. The whole performance was put through with such marvellous rapidity that not one of Addicks’ innumerable henchmen had had a hint of it, and so no warning could be given in any direction. Braman, an adept in corporation try-outs, lost not a moment, for the instant his receivership appointment was signed he pounced down on the Delaware offices of the Bay State and seized everything they contained. He was waiting there for the first train to Philadelphia for the purpose of capturing the head offices of our corporation, which were located there, adjoining Addicks’ private offices.

It was the moment for rapid action. We had an hour before Braman and Foster could reach Philadelphia, and in finance in that time continents’ have been submerged and oceans pumped dry. Addicks instructed Fred Keller to rush the books of the company into a trunk, together with all the private papers in Addicks’ safe, and to come at once to New York, where he would be beyond the jurisdiction of the Delaware court. We returned to the large parlor and hastily explained to the waiting directors what had occurred. Addicks instructed the Bay State secretary, who was present, to connect with the trunk upon its arrival and disappear. In the meantime the company’s counsel advised that Addicks and the other directors barricade themselves in their rooms at the Hoffman to frustrate any attempt to get legal service on them, for we well knew that Braman and Foster, as soon as they realized they were balked in Philadelphia, would go to the New York courts for additional powers—which afterward they did.

Frenzied Finance

This line of defence having been fully organized I hurried down town to 26 Broadway. I felt certain that Mr. Rogers had nothing to do with the Braman–Foster affair, but to satisfy Addicks and make assurance doubly sure I determined to see him. After being with him for five minutes I knew I had not been deceived. Rogers agreed with me that the situation looked as though it had been made for his interest, for it threatened to leave us absolutely at his mercy with nothing to prevent his checkmating Addicks at his own game. As I pointed out to him, however, there were disadvantages in the position which he must take into consideration. His acceptance of the opportunity would work such losses to the public and to my friends that though the responsibility might be laid to Braman and Foster, I would fight so viciously that no one would be spared. Besides, between the Addicks scandal and that other which we agreed must unquestionably lurk in the hasty appointment of the receiver, the whole affair must eventually be ventilated in court. It is always hard for Mr. Rogers to forego an advantage, but by this time he was tired of the wrangle and wanted peace, and, moreover, he did not relish the thought of court proceedings, so he admitted that my reasoning was good, and promised to do anything in his power to assist us.

CHAPTER XXIII. TWO GENTLEMEN OF FRENZIED FINANCE

The enemy did not leave us long in suspense. Next day Braman and Foster arrived in New York, bursting with a noble wrath at the failure of their coup in Philadelphia. An outrage had been worked upon them, upon the public, upon the majesty of the law. To hear their ravings one might have supposed them the evangelists of Justice righteously denouncing a desecration of the sacred altar; or, that we had deprived them of an inalienable right they had possessed to our property. It would have been humorous if the conditions had been less tragic.

No defender of property right is so vociferous as the financier who, having appropriated his neighbor's goods, argues that possession constitutes legal ownership. On a country road I once almost rode over two hoboes, who were so busy wrangling with one another that they had not heard my approach. I gathered that one of them, having filched a collection of laundry from a farmer's backyard, had placed it in charge of his mate while he went off for a second helping, and had returned just in time to stop the latter from decamping with the swag. The talk the original purloiner was giving his ungrateful assistant was one of the best expositions of virtue and honesty I've ever listened to.

We met the following Monday and in reply to my request that we talk things over, Foster delivered himself of an exalted exposition of the rights of deluded stockholders, the majesty of the law, and the stern duties of Mr. Braman, who, for the time being, had departed his private self and, until further notice, existed only as a rigid arm of the court. Just as I had arrived at the conclusion that I had got into the wrong shop, Braman took up the lecture by informing me of things I already had made myself familiar with, to wit, how he had at different times occupied similar rôles in other corporations' affairs and how relentlessly he had exposed mismanagement and speculation. I suggested to him that in most such cases the receiverships seemed to have been dismissed in favor of the former managers. He waved his hands and replied that in this particular case there was absolutely no chance of control being returned to Addicks, who had outrageously abused his trust; "although, of course (this as a sort of second thought) you know, Mr. Lawson, if Mr. Foster on behalf of his client should receive the amount of his claim and the proper fee, from whatever source, I should be powerless to prevent the dismissal of the receiver."

Braman and Foster were a delightful combination. As the talented Chimmie Fadden would say: "Dey knew dere biz from de bar to de till an' from de till by de way of de cash register to de wine-cellar, so's dey could do de circuit wid dere lamps blinked and dere hands tied." With their corporation mix-up records I was familiar, and after a few minutes' talk realized that it would be impossible to do anything with them until they had kicked up against one or two of the bricks Addicks was now with renewed energy preparing to cast into their pathway. I left with an agreement to see them the following day, and a parting reminder that all natural history showed that unpicked ripe plums were in great danger of being blown from the tree with every passing breeze.

I hurried back to Addicks. "It's the old game," said I; "they are on the box and have the lines, and know just how badly we need our coach, and it's only a case of how much 'inducement' we can stand."

I left him and went down to 26 Broadway. I had not wasted time, but they had been there ahead of me.

"Lawson," said Mr. Rogers, "this time Addicks is up against a real condition, and phenomenal work will have to be done or his race is run. Braman and Foster have been here and made a strong bid for a partnership with me, but I did as agreed and sent them away with a cold 'I'm in no way interested.'"

Foster and Braman secured an order from the New York courts to take possession of all property, money, papers, and books claimed by the company, and formally laid siege to Addicks' quarters in the Hoffman. There was considerable excitement for the guests and the newspapers. Doors were battered down, but the astute and slippery Addicks led them a merry chase until they finally caught him hiding in a freight elevator which he was using for a private staircase, only to find he had no books, papers, or money.

The week that ensued was full of trouble and incident for all concerned. Addicks led an expedition to Wilmington in an effort to get the court to call off the receivership, but had his labor and the expense of his lawyers for his pains. Braman and Foster dragged us through a weary round of special hearings and demands

Frenzied Finance

of various kinds in the different courts, but by Tuesday night of the second week their ardor had cooled considerably and they were as puzzled how to let go of the bull they had captured as we were to find a way to make them do so.

Bright and early Wednesday morning Braman called on me, and when he threw his coat and hat into a chair he must have dropped his receivership cloak too, for after he had carefully closed the door and made sure we were without witness he said:

“If there's any business to be done in this matter it must be done quick.”

I admitted no one could possibly appreciate this more than I—but what could be done? After bluffing for an hour and exchanging honest views for fifteen minutes we agreed that the situation stood thus:

If nothing were done before the coming Sunday, the 1st, the receivership would be permanent; the stock, which had fallen to \$3 per share, would remain at that figure or go lower; my friends, the public, and myself would be tremendous losers; all the past of Bay State, the doings of Addicks and Rogers, and the appointment of the receiver would come in for thorough investigation; an awful scandal would be aired in public; every one would be covered more or less with mud; and no one could possibly be the gainer but “Standard Oil,” for Braman agreed with me that the deal we had made with Rogers would probably stand in the courts.

On the other hand, if an arrangement could be arrived at by which we could have the receivership discharged, the company returned to its officers, or our equities preserved, all would be gainers by the move, for it would be proof positive that whatever the obstacles, we could overcome them, and the stock would go flying upward again.

After we had set out all the advantages, disadvantages, and possibilities of the situation, I bluntly plumped Braman with that inevitable question of all such “sit-downs”: “What's the price?” And Braman as plumply and bluntly answered: “Buchanan, Foster's client, must have the face of his bonds and interest, \$150,000, and we must have at least \$150,000 for our trouble and expense.”

My long experience in corporation affairs, and my intimate knowledge of the practices which the “System” with its votaries has made habitual was such that I was proof against shock from anything that could possibly turn up in even extraordinary financial deals, but I was just a bit staggered by the business-like way Braman demanded for himself and Foster \$150,000 and the coolness with which he further explained that they must divide their share with certain influential persons without whose hearty cooperation the tangling-up which had been so cleverly accomplished would have been impossible. He made no bones of showing me that once “we gave up” it would only be a matter of the number of minutes required to get details fixed before everything would be as it was before he had interfered. I dwelt upon the possibilities of the judge not following orders to the letter and the minute, but he only smiled and answered: “Leave all that to us; if we don't make good as agreed, we get no pay.” He was fully alive to the dangers of the game, and he impressed upon me he would take nobody's word for anything. With him and Foster nothing but money talked, and it must not be of the marked-bill kind either, meaning he would not take anything which could be tied up by injunctions and lawsuits after the receiver had been dismissed. However, he would play fair. He would not ask us to pay on anything but the actual delivery of the goods. He also frankly told me that he had named the very low figure, \$150,000, because he expected to invest what he received in Bay State Gas stock at \$3 and, upon its jumping to \$10 or \$20, to make half a million.

But this is outrageous, you say. You call the performance I have described by hard names! Surely our courts are not also the creatures of “frenzied finance”? you ask. I warn my readers that this narrative is no more than a record of events occurring within my own knowledge, and that dark and vicious as the pictures seem they are photographs of actual happenings. Nor should the public conclude that the dishonor and dishonesty revealed in connection with Bay State Gas are exceptional. On the contrary, such doings are the rule in the affairs of great financial corporations. Into the rigging and launching of almost every big financial operation in the United States during the last twenty years, double-dealing, sharp practice, and jobbery have entered; and, what is more, the men interested have participated in and profited thereby. To correct a popular fallacy I want to say that I am not referring here simply to moral derelictions but to actual legal crimes. If the details of the great reorganization and trustification deals put through since 1885 could be laid bare, eight out of ten of our most successful stock-jobbing financiers would be in a fair way to get into State or federal prisons. They do such things better in England. During the past ten years three “frenzied financiers” have

Frenzied Finance

practised their legerdemain in London—Ernest Hooley, Barney Barnato, and Whitaker Wright. The first is bankrupt and discredited; Barney Barnato jumped into the ocean at the height of his career, and Whitaker Wright, after numerous attempts to escape, was hauled up before an English judge and jury, promptly convicted and sentenced, and committed suicide by poison before leaving the court-room. I will agree at any time to set down from memory the names of a score of eminent American financiers, at this writing in full enjoyment of the envy and respect of their countrymen and the luxury purchased by their many millions, whose crimes, moral and legal, committed in the accumulation of these millions, would, if fully exposed, make the performances of Wright and Barnato seem like petty larceny in comparison.[12] But freedom and equality, as guaranteed us by the Declaration of Independence, have recently been capitalized, and “freedom” now means immunity from legal interference for financiers, while the latest acceptance of “equality” is that all victims of special privilege are treated alike by those who control and exercise such privilege. If the judges and the public prosecutors of these United States were equal to the sworn duties of their sacred offices, this “freedom” would have been confined long ago, and throughout this broad land there would be jails full of “frenzied financiers” who had imagined themselves licensed to rob the public.

But to return to Bay State Gas: “Braman,” I said, “we see the situation through the same glasses, but before deciding as to prices let us see where the coin required is to come from. Until the receivership is dismissed not a cent can come from the Bay State treasury, so that eliminates Addicks. I, personally, am in such shape because of this same receivership that I can do nothing. So, as usual, it comes down to the man with unlimited money—Rogers. The question is, how to get Rogers to advance so large a sum in such a ticklish business? He does not want to get mixed up in a matter in which any one man's treachery might mean State's prison.”

“Somebody's word ought to be good,” he commented.

“Only two men's words would be of any avail,” I interrupted—“yours and Addicks', and you have just made it clear that in this case neither would be worth the breath expended in pledging it.”

FOOTNOTES:

[12] Since the above was published the American people have become aroused, and as this book is going to press, scores of the greatest financiers in America are having under oath confessions squeezed from them in a life-insurance investigation conducted by the State of New York—confessions which reveal such a condition of perjury, bribery, and habitual sequestration of funds, as to make my statement seem mild.

CHAPTER XXIV. BUYING A BUNCH OF STATES

I left Braman and went down to Mr. Rogers. After a careful canvas of the situation it was settled that the only way out was for Rogers to furnish the money to release the receivership, in consideration of which accommodation Addicks should forfeit the old Boston companies to him through Bay State's failure to comply with the terms of the May contract which matured the following Monday. Rogers would administer these companies in trust, applying their earnings to the liquidation of the bonds, and after these latter had been paid off, would turn them back to the Bay State Company for the benefit of its stock; or he would release the companies to us whenever we could raise the money to redeem them. Thus Rogers would make sure of the amount of his original investment, the million dollars profit the May 1st deal permitted him, while I should have secured for my friends and the public the amount of their investment in the property and a good profit for the stockholders to boot. To secure Addicks' consent to this arrangement would be the difficulty; but there was one consideration that would probably induce him to give way—his terrible plight in case the receivership became permanent.

Having reached this point, the next problem was how to get the money. Rogers refused absolutely to be a party to any payment that could be traced back to him. He pointed out the sources of hazard; first, through treachery on the part of Foster, Braman, or Addicks, he might be accused of bribing a court officer, the receiver; Addicks might blackmail him by charging him with conspiracy, or a conspiracy charge might be brought by Bay State stockholders, and he be held for tremendous damages. He refused to put himself into any such trap. I put forward a dozen ways to meet the emergency, but he would have none of them. Finally he suggested a method which was certainly perfect of its kind. He began by letting me into the secret that the chances of a McKinley victory in the election the following week looked pretty bad, and that the latest canvass of the State showed that unless something radical were done, Bryan would surely win. Hanna had called into consultation half a dozen of the biggest financiers in Wall Street, and it was decided to turn at least five of the doubtful States. For this purpose a fund of \$5,000,000 had been raised under Rogers' direction,[13] to be turned over to Mark Hanna and McKinley's cousin, Osborne, through John Moore, the Wall Street broker, who was acting as Rogers' representative in collecting the money. It would be legitimate for the National Committee to pay out money to carry Delaware, and he, Rogers, would arrange it that the coin to satisfy Braman and Foster should come through this channel. Thus he would be completely protected.

“Lawson,” said Mr. Rogers, looking at me with intense and deadly seriousness, his voice charged with conviction, “if Bryan's elected, there will be such a panic in this country as the world has never seen, and with his money ideas and the crazy-headed radicals he will call to Washington to administer the nation's affairs, business will surely be destroyed and the working people will suffer untold misery. You know we all hate to do what Uncle Mark says is necessary, but it's a case of some of us sacrificing something for the country's good. Bryan's election would set our country back a century, and I believe it's the sacred duty of every honest American to do what he can to save his land from such a calamity.”[14]

The “System's” conscience has its own quaint logic—the logic of self-interest—and this is how it reasoned: “The election of Bryan would disturb our control of American institutions, therefore American institutions would be destroyed by Bryan's election. On us, the 'System,' devolves the sacred if expensive duty of saving the nation, and, however abhorrent to our fine moral sense, patriotism compels us to spend millions in bribing and corrupting the electorate so that virtue, 'Standard Oil,' and J. P. Morgan may continue the good work of caring for the public's interests as their own.”

As I listened to Rogers' exordium on the duties of a citizen in an emergency, I remembered the “Standard Oil” code—“Everything for God (our God); God (our God) in everything.” It was so essentially “Standard Oil,” this willingness to commit even that greatest wrong, subverting the will of the people in the exercise of their highest function—the election of a President—but only that good (their good) might come of it. It was no more than selfish greed tricked out in the noble trappings of morality, an infamous crime disguised as patriotism. Doubtless, the excellent, God-fearing, law-abiding citizens of the doubtful States who read this and learn how the “System” defeated their will at the polls will cry, “Monstrous! Can such things be in

Frenzied Finance

America?" and then will resume their interrupted occupation of "letting well enough alone." However, this is aside from my story.

Having clearly set forth the political situation through which we should be saved, Mr. Rogers proceeded to map out my own programme. First, I must perfect an alibi for him by going to Foster and Braman, and impressing upon them the fact that he was absolutely out of the affair, and must under no circumstances be brought into it; next, I must convince Addicks to the same effect, and in addition tell him that Mr. Rogers had angrily refused to get into the mix-up; I should then hold myself in readiness to meet John Moore and Hanna or Osborne as soon as an appointment could be arranged. That afternoon I got the word and went to 26 Broadway, and from there Mr. Rogers and I went over to John Moore's office, slipping in the private door from the rear street.

"John," said Mr. Rogers, "I am going to turn this matter over to you and Lawson, and I am to have nothing further to do with it. What you two agree to will be satisfactory to me, and remember, both of you, every dollar that is paid is paid by the National Committee, but after it's all settled, and if there is no slip-up, I will look to Lawson for whatever is expended. Is it understood?"

We agreed that it was, and Mr. Rogers left us.

John Moore deserves more than a mere passing mention here, for he was at this time a distinguished Wall Street character and one of the ablest practitioners of finance in the country. During the last fifteen years of his life, John Moore was party to more confidential financial jobs and deals than all other contemporaneous financiers, and he handled them with great skill and high art. Big, jolly, generous, a royal eater and drinker, an associate of the rich, the friend of the poor, a many-times millionaire, who a few years before had been logging it on the rivers of Maine, his native State, John Moore well deserved his "Street" name, "Prince John." His firm, Moore & Schley, transacted an immense brokerage business, and numbered among its clients great capitalists and bankers all over the country. Especially were Moore & Schley famed for their discretion, and the highest proof of confidence reposed in the firm was the fact that it did the bulk of the stock speculating for what is known as "the Washington contingent." This is, perhaps, the most peculiar and delicate business that comes to "the Street." A big Wall Street house opens a Washington office and organizes an elaborate system of special wires, wires from which there can be no possibility of leakage. It is then ready for the patronage of members of Congress, United States Senators and national officials, whose honorable positions make them the custodians of national secrets of great commercial value. If, for instance, a new law is to be passed which must favorably affect a given stock, legislators who are on "the inside" often buy thousands of shares in order to reap the profit of the rise in value incidental to its passage. Or perhaps there is in prospect a law which will interfere with the special privilege of some other stock and reduce its price. Those in possession of advance information "go short" of that stock (sell for future delivery) to profit by the drop. There are many other opportunities the Washington "insider" of speculative turn may use to advantage. For instance, if a high official of the Government were about to issue a proclamation against a foreign nation, and should desire secretly to make a million or so out of the panic he knew must follow the announcement, he would cast about him for a broker who would preserve this sacred confidence. It would invariably be through the Moore firm that his secretary or confidential man would do the short selling. There are also the operations of lobbyists who, to affect important legislation for this great interest or the other, buy or sell stock for the benefit of legislators whose votes they desire to influence. Extreme caution is demanded in the execution of such orders, or all hands might by some slip-up find themselves wearing striped suits.[15]

Such a catastrophe seemed imminent some years ago when the Sugar Trust was before the United States Senate for some legislation necessary to bolster up its monopoly. Its agents had either been less cautious than usual in disguising the raw bribery they were perpetrating, or this particular Senate was too brazen to take the usual precautions to hide its greed from the world. In any case, so great an outcry was made in the press of the country that some sacrifice to the people's wrath was called for—one of those familiar sacrifices which, at intervals of ten or fifteen years in this republic, our rulers make to the great god Integrity. An investigation was organized, and a Senatorial inquisition had before it eminent sugar capitalists and many other distinguished gentlemen who could by no possibility shed light on the transactions, and then, realizing that a show of earnestness, at least, was demanded, it was agreed that some member of Moore & Schley's firm must go on the witness-stand, and, on refusing to tell which Senators had speculated in sugar, must be sent to jail.

Frenzied Finance

This grandstand play, it was calculated, and rightly, would so hold the attention of the American people that when the committee concluded its investigation with the usual loud acclaim of duty well done, its Draconian punishment of the unsubmissive broker would act as another ten years' stay against outcry.

When this stratagem was decided on, John Moore announced that he as head of the firm should be the sacrifice. But the representatives of the "System" and the Senate firmly refused to assign him that rôle, and instead, to his grief and anger, nominated for jail the associate member who had charge of Moore & Schley's Washington business, whom they declared the logical victim. During the thirty days that his friend and partner spent behind the bars John Moore's hair whitened more than in all the years before, and from that time until his death he refused firmly to take part in his old line of work, or was ever again his old jovial self.

FOOTNOTES:

[13] Over a year after the publication of this statement startled the country, John A. McCall, President of the New York Life Insurance Company, and George W. Perkins, Vice-President of the same company and partner of J. Pierpont Morgan, were compelled to confess that they had contributed from their policy-holders' deposits, large amounts of money to a fund to defeat Bryan in 1896 and to the Republican campaign funds of the two following presidential elections, and that they gloried in it. At the same time Jacob Schiff, director of the Equitable Life and a partner in the great international banking-house of Kuhn, Loeb & Co., admitted that funds belonging to the policy-holders of the "Big Three," the New York, the Mutual, and the Equitable, were used in a joint fund to influence the Legislature of every State in the Union.

[14] President McCall used almost the same language in September, 1905, in justifying his payment.

[15] The President was notified some few months ago that the cotton report was being juggled by employees of the United States Department of Agriculture in the interest of certain Wall Street speculators who were gambling in cotton. Investigation proved that it was the practice to falsify the report; and certain Government officials and brokers are now under indictment.

CHAPTER XXV. ATHLETICS OF FINANCE

Entirely apart from his relationship with Mr. Rogers it was a great help in this Bay State emergency to have the aid of a man of John Moore's wealth of vim and wide knowledge of men and affairs. Freely and frankly I explained our situation to him with its innumerable complications until he had mastered its intricacies. A tough job he pronounced our proposition, and he was the authority on the subject. After our talk was ended he called in Osborne, who had evidently already been talked to. He said to Osborne:

"I've been over Addicks' affairs with Lawson, and there is no question in my mind and that of other friends of the party that he should have what is necessary to carry Delaware. You had better have the committee ready to put in between \$350,000 and \$400,000 if we call for it. I will see that it is kept down as low as possible."

Osborne then spoke his piece and replied that the committee would do whatever was decided best, and asked me to send Addicks around next day to explain just how he was pushing things in Delaware. All this was play-acting for the benefit of Rogers' alibi.

The next thing on my programme was to persuade Addicks to relinquish his hold on the old Boston gas companies, and this was likely to prove my most difficult task. I left John Moore, who agreed to hold himself in readiness at any hour to consult on and approve such settlement as I could arrange, and energetically started in on the Delaware financier. It was a trying ordeal. As soon as Addicks saw I had something to work on he began to demur and object. If he could not have things his way, he would do nothing. He knew that I had joined a conspiracy to ruin him; that I was in league with Rogers, who was in league with Braman and Foster, and that all were banded together to take all he had away from him. In the course of that two hours' wrestle I was tempted several times to throw up the whole affair, and there were some bitter and savage word-passages that left both of us heated. I could do nothing with him; he must hear from Rogers personally. Finally I got the "Standard Oil" wire, and Rogers talked so plainly and coldly as partially to sober him, but ended by agreeing to have his counsel talk things over with Addicks, which was a distinct concession. A little later Mr. Rogers' representative was at the Hoffman and he and Addicks had it hot and heavy. After about fifteen minutes of conference they had wellnigh come to blows. However, the hot exchanges had begun to tell. Addicks grew saner, but he insisted on seeing Foster and Braman. I warned him that he was fast getting our affairs into such shape that no one could patch them up, but to no avail. He must meet his enemies face to face if only to ram into their teeth that they were scoundrels. Finally, I got Braman on the telephone and explained that I was doing my best to quiet a crazy man, who would consent to nothing until after he had seen him and Foster and told them what thieves they were. I heard Braman chuckle. He said: "Bring him along to Foster's house at 10.30," and added: "It wouldn't be a bad idea to have an ambulance along, too." This suggested further complications, for Braman has the reputation on "the Street" of being more eager to face a wild man on a rampage than a sick one in a plaster cast, while Foster, although a little bit of a fellow, was never known to side-step or duck trouble. I slipped word down to Moore at the Waldorf to follow along to Foster's place in a cab.

There are several "spite houses" in New York. Foster's house was one of them. It is a narrow strip of a brownstone dwelling at 79 West 54th Street, built to express the enmity of one property owner for his neighbor who refused to pay an extortionate price for the land. It is about the width of a front door, and inside there is just about room to move around. It afforded a queer background for the scene enacted there that night.

Promptly at 10.30 Addicks and I were at the door, and by 10.32 the tunnel-like walls of the "spite house" resounded with as illuminating a verbal interchange of billingsgate biographies as I have ever listened to. At 10.35 I covered Addicks in a hasty but quite successful retreat which he beat to our cab. Thence to the Hoffman House, where I summoned Parker Chandler to aid in the calming of our raving associate. The next two hours were of the pulse-jumping, vein-tearing kind incidental to "frenzied finance," but they were not without avail, for Addicks finally agreed that he might consent to "something" provided the Bay State equities in the Boston companies were so preserved that he could eventually get them back into his hands by repayment to Rogers or by the redemption of bonds.

Frenzied Finance

Having got thus far, I again went after Braman and Foster, who were at the Hotel Cambridge. We repaired for further conference to the University Club, which was then in the old A. T. Stewart marble palace on the corner of Thirty-fourth Street and Fifth Avenue. I shall never forget that session. It was past midnight, but the three of us battled with our smoky problem, now good-naturedly, now bitterly. At times it looked hopeless because of this obstinate demand or that steadfast refusal. It must have been three o'clock in the morning when I left them and stepped into the Waldorf for a moment to relieve Moore's vigil. Then back again to the Hoffman, where Addicks, Chandler, and some Bay State directors were nodding. By this time I was in no mood to say more than that I would be over in the morning, and that Addicks should go early to the National Committee's head-quarters and explain the desperation of conditions in Delaware to Hanna, Osborne, and their associates. At last I was free to return to the Brunswick for a few hours' rest.

In the country, cock-crow is the signal to be up and doing. In the city, the signal to be up and to do is a hoarse, metallic roar that would drown a million country cock-crows if each particular cock were as big as the mythical rooster of antiquity and could crow in proportion to his size. My readers who dwell on the hills and in dales and wheat-fields, and who are unfamiliar with the wild, weird early morning din of the city, may not know that the metropolitan cock-crow is made up of the jingle and jangle of a million tin milk cans jolted over a million blocks of stone to the tune of thousands of steel-shod feet, the shrill cries of an army of butcher and baker boys and the groans and the moans of countless troubled and tortured human souls. Cock-crow in the country means "Awake to another day of life." Cock-crow in the city is a signal for the slaves of Mammon to arise to another interval of flight and pursuit.

The great city cock was just getting ready to send forth his hoarse cry as I went to bed, and he was still on his roost a few hours later, when I awoke. I looked from my window of the Brunswick across the Square, now flooded with the pure sunlight of early morning, and all the kinks and quirks and hobgoblins which the rush and irritation of yesterday had generated seemed to have vanished, and I could not suppress a smile at the thought of the night before, when this battle—this puny, insignificant battle for a few dirty dollars—had almost raised feelings I now knew too well should only be aroused by real battles, battles in which noble principles were involved, and I felt better able to fight what I had thought, the night before, was going to be a hard battle.

"Pshaw!" said I, as I looked away and beyond the park to the grand battlefields of my better imagination, "what will it matter a hundred years hence what name appears against victor or vanquished in the archives of fame or the records of infamy when the student reads, 'A.D. 1896, Bay State Gas—"Standard Oil" war,'" for I saw that among the countless real deeds there would be no room for any record to mark the existence of any Gas or Dollar war.

With these thoughts still in mind I sat down to breakfast with Parker Chandler, and as I listened to his cheerful gossip of yesterday, I inwardly resolved that whatever the result of the day's effort, I would take it with a smile.

Thursday was another period of strenuous struggle and unceasing effort. I began early, and every moment was taken up with arguments, wrangles, pleadings! Chandler had agreed to see that Addicks kept his appointment with the National Committee and that a quorum of Bay State directors should be on hand in the Hoffman so that we could get quick action on any proposition that came up. This arranged I hurried over to see John Moore, then down for a last word with Mr. Rogers. Addicks came next for a spell; from him to Braman and Foster; back to John Moore; more interviews with lawyers and round the circle again. It seemed as though it were impossible to arrive at any agreement that some one of the principals interested would not kick over. At four o'clock Friday morning John Moore and myself ceased our labors for the day, both of us wellnigh exhausted. With all our efforts many of the vital points to our agreement were still in the air. A few hours' sleep and we were back at our task, and by six o'clock on Friday night the last obstacle had been overcome and the deal was completed.

There remained now the tremendous business of putting all the arrangements concluded into execution. A multitude of legal documents had to be drawn up and executed, first by Rogers and then by the Bay State board of directors and officers. It was a pile of work, but not a second was lost, and by 11.20 that night we were ready for the third act, which was to be performed simultaneously by different sets of actors in Boston and Wilmington. For this our officers were split. With the directors of the Boston corporations, Chandler, and

Frenzied Finance

Mr. Rogers' attorney to supervise the legal end of next day's transaction, I left on a special car attached to the midnight train for Boston; while Addicks and the Bay State directors set forth on another midnight train for Wilmington, Del., to be followed in the early morning by my New York partner, John Moore's partner, Braman, Foster, and more counsel representing Mr. Rogers. This contingent was to carry the money.

CHAPTER XXVI. THE CIRCLING OF THE VULTURES

I don't believe there ever was before or since a financial operation in which so many things, each of vital importance, had to be done at one and the same time.

Before I took the train for Boston, just after the last deed had been signed, Braman, Foster, and I had come to a complete understanding in regard to the manner in which the court proceedings the following morning should be conducted. It was understood that no one should take another's word for anything, and consequently that no money should pass until specific performance of all the required conditions. Immediately on the release of the receivership, Foster and Braman were to be paid their "fee," and they asked that the \$175,000 cash coming to them should be arranged in separate piles of bills. The two packages containing Foster's and part of Buchanan's, and Braman's \$50,000 were to be in the joint custody of John Moore's representative and my partner, who, with Rogers' counsel and Addicks, had been assigned to represent Bay State in the court.

What would happen after the transfer of these several amounts was outside my jurisdiction. Addicks did not confide to me his own scheme of revenge, but of Braman and Foster's purposes I had a clear idea. As Braman had explained, the great winning of his adventure should be made in the stock plunge he and Foster contemplated in Bay State Gas stock, then selling at 3-1/2 to 4; but lest there be some slip-up in court, "buy" orders to their brokers were contingent on the word "go!" from Wilmington. To get this off at the right moment a clerk was taken along, whose only part in the play was to telephone this word "go!" They expected in this way to make at least half a million.[16]

Addicks' intentions, as I afterward learned, were less exalted but much more direct. He had conceived a plan whereby without danger to himself he could punish Braman and Foster for the wrong they had done Bay State, and at the same time meet his election expenses at no cost to his own pocket. In the course of his electioneering campaign in Delaware, conducted as all the world knows how, Addicks had gathered to his cause as tough and rascally a set of "heelers" as ever waylaid aged woman or lame man on the highway. A lieutenant who had been despatched to Delaware early Friday afternoon, when it had become evident that we should get things settled up, gathered the sturdiest members of this precious troop together and solemnly told them that a serious hitch had occurred in Addicks' game and that it looked as though, owing to the receivership, there would be no "stuff" to put in circulation this year. The men responsible for this outrage were to be in Wilmington on the following day and from the appearance of things would get the money Addicks had destined for his followers. He understood they were to receive it in cash, too—\$175,000—cash that really belonged to Addicks, who had intended it for his good friends in Delaware. The thugs, properly indignant at the wrong that had been done "the Boss," dispersed rapidly to discuss the information among themselves. That night a group of leaders got together and figured out a little plan of campaign to frustrate the robbery of their beloved master. Court proceedings to release the receivership could not take long, and they calculated that the train schedule would detain Braman and Foster at least two hours in Wilmington after the adjournment. What more easy than the organizing of a little scuffle on the station platform or on the street and in the rush—well, many things happen in a rush. This simple procedure commended itself to all concerned, and that night there was much rejoicing among the Addicks camp—followers at the pleasant things that should be pulled "off" at the flim-flamming bee next day.

All these things were in the air when court opened in Wilmington on Saturday morning. A special telephone line had been run and arrangements made for a clear wire right into the directors' office in the head-quarters of the Gas Light Company in Boston. At the telephone in Wilmington sat my partner ready to communicate to me the exact course of the proceedings, so that I might simultaneously make the agreed transfers of our companies to Rogers. I knew my partner's voice; he knew mine. We, too, were taking no chances.

* NEW YORK, February 21, 1905.

Dear Mr. Lawson: In your article in *Everybody's Magazine* for January, among other misstatements upon which I shall not now comment—since you have committed yourself too far

Frenzied Finance

to make it likely that you will withdraw them—you accuse me of having speculated in Bay State Gas stock with Mr. Buchanan's money; and of having subsequently been sued by him. I hold Mr. Buchanan's receipt for the money collected for him, which I paid him the night that I returned from Delaware. He has never sued me. Please inform me whether you are willing and agree to strike out these statements from your article when published in book form, and also whether you will agree to withdraw the same in your magazine. I tried to call on you and discuss the case when in Boston, January 21st; and I also tried to meet you on the day after last Thanksgiving; but apparently you were unwilling to see me. I remain,

Very truly yours,
ROGER FOSTER.

THOMAS W. LAWSON, ESQ.,
Boston, Mass.

FEBRUARY 23, 1905.

My Dear Mr. Foster: I received your letter of the 21st inst., and in reply will say, if I have done you any wrong in my story, "Frenzied Finance," or otherwise, it has been unintentional, and I regret it, and I seek this, the first opportunity, to give my regrets the same wide circulation as my original statements.

As I wrote you previous to the publication of the magazine containing the parts you refer to, I try to exercise the greatest care in allowing nothing to appear in my story but facts—facts I know to be facts, and in addition only such facts as are absolutely necessary to my work, which is the portrayal of those events of the past essential to a proper understanding by the people of the evils that have been done them, and how they have been done, that they may do what is necessary to undo them and to prevent their repetition in the future, and, in addition, such facts as it is fair for me to use. I repeat what I said to you then: I have absolutely no feeling in regard to you other than an intense desire to do you exact justice.

I dealt with you in the entire Bay State receivership affair in connection with Mr. Braman and I thought that I had every reason to believe that his Bay State Gas purchases were for your joint account; but now that you assure me they were not, I hasten to have such assurances chase my original story with the hope that they may speedily overtake it.

My information that you had been sued by Mr. Buchanan came to me in a way that left no doubt in my mind of its correctness—no doubt until I received your letter. Papers were sent to me some time ago by reputable attorneys in a suit of Buchanan against Braman and, I understood, yourself, along the lines outlined in my story, with the request that I allow my deposition to be taken, so that Buchanan could

Frenzied Finance

get at the facts in his attempt to recover the moneys claimed.

Your assurances to the contrary in regard to this matter I also hasten to start on the road you point out, and I will see that both statements are expunged from my book.

You are in error in thinking that I did not wish to see you when you were in Boston. I did not know in either case of your desires until it was too late to see you. I certainly would have had a “sit-down” with you if it had been possible.

Again assuring you not only that it is a pleasure to set forth the facts you have called to my attention, but that I am your debtor inasmuch as you have given me an opportunity to perform that duty which I owe to every individual my story treats of—to state facts and only facts with which they have been connected—believe me,

Yours truly,

THOMAS W. LAWSON.

FOOTNOTES:

[16] See foot-note on pages 189 and 190.

CHAPTER XXVII. COURT CORRUPTION AND COIN

The closing scene of this most significant drama was enacted on Saturday morning in the Wilmington Circuit Court-room. There was nothing in the cold formality of the proceedings to indicate that here was the *dénouement* of a serio-comedy in which greed and ambition had clashed in a battle for millions; nor in the amiable indifference of the men who got within the enclosed space below the judge's desk to suggest the murderous passions and fierce hatreds raging beneath the surface of the prevailing calm.

The *dramatis personæ* were gathered in little groups representing the separate interests—Addicks and some of his lieutenants; my partner at the telephone; John Moore's partner and Rogers' counsel with their heads together; Braman and Foster nearer the judge, their eyes wandering toward two dress-suit cases piled before John Moore's partner, which, it was understood, contained the money. At a glance it was impossible to tell the one containing Buchanan's share from the other laden with the receivership loot, but each was tagged, and it was evident that possibilities of a mix-up had been carefully guarded against. Behind Braman was his clerk, and in the rear of the court-room sat as many of Addicks' thugs as could squeeze into the narrow space reserved for spectators. They, too, eyed the dress-suit cases avidly, for the information had been passed around that these innocent receptacles contained the "stuff," of which the "Boss" was about to be robbed.

Court came to order. Foster rose, announced that the claims of his client had been satisfied, and made a formal motion to dismiss the receivership. The Court formally consented, and as the clerk was entering the dismissal in his minute-book my partner telephoned the facts to me. I sent back the word that my directors were resigning—had resigned—that Rogers' directors were being elected—had been elected—that the Boston gas companies were now transferred to Rogers. My partner whispered my words to John Moore's partner and Rogers' counsel. At once the two dress-suit cases, each loaded with currency, were slipped to Braman and Foster. At the same time the messenger who was to telephone to their broker rose and quickly left the court-room. A brief period was consumed in signing receipts, certificates, and other legal papers, and then the performance was over. Addicks rose and went out among his henchmen in the rear, who eagerly surrounded him. In the bustle Braman and Foster, each with his own booty, fled.

Let us see what was happening at the Boston end of the wire while all this dumb show was being enacted in the Wilmington court-house. My directors and officials were lined up against the walls of the directors' room in the Boston Gas Light Company's office like so many members of young John D. Rockefeller's Sunday-school class, inasmuch as they were prepared to listen, sing, or shout "Amen!" at any time they received the nod of the class-leader. In an adjoining room Rogers' counsel had a similar line-up, with the difference that my men were about to shed the crowns which the others were waiting to receive, and which would transform them from humble business men into royal gas kings. Through the open wire I was in such close touch with the scene in the Wilmington court-room that I was almost sure I heard the subdued weeping of the blindfolded Lady of the Scales on the bills which occupied such a prominent part in the disreputable proceedings. Nothing now could impede the course of events, so I concluded to take Time by the headgear and secure what Bay State stock was in the market before Braman and Foster got in their work. Over another wire which was at my elbow I gave the word "go!" to my own brokers in Boston and New York, and when a few minutes later they told me they were securing thousands of shares, and that the stock was climbing toward 10, I could not repress an inward chuckle at the thought that the money we had so reluctantly parted with would spread over only one-half or one-third the surface it was originally intended to cover.

It was all over in a few minutes, and when my partner said, "It's done," and "By Jove, there go Dwight Braman and Roger Foster on the dead run with a dress-suit case apiece!" I held my sides as Parker Chandler in his inimitable way bawled: "Tom, let's leave our straw hats on the pegs, for we'll probably be back next spring figuring out how to pump air enough through the gas-measuring meters to pay for that money we've just loaned Braman and Foster for a day or two."

Braman and Foster, as I have observed before, knew their business. The danger to which \$175,000 in currency would be exposed, in a territory controlled by Addicks, had appealed to their cautious instincts, and once outside the court-room they literally took to their heels and ran for a corner of the railway yard, where

Frenzied Finance

awaiting them was a special car and engine. They jumped aboard, yelling to the engineer: "Let her go." In the meantime eager-eyed ruffians searched the streets and hung round the hotels, looking for two men with dress-suit cases. A hundred of them were on the station platform, awaiting the departure of the regular train. Ten minutes before leaving-time one of the henchmen appeared among the gang, and passed round the word that the gents and the "stuff" had got off by a special, and it was no use waiting any longer. Later that afternoon, Addicks, to use his own words, in one of his rendezvous, "dealt out his own good money in place of that he had hoped would take care of the people's rights."

It was a fierce session of the Stock Exchange that Saturday morning. Shortly before closing time a new set of brokers were frantically grabbing for Bay State stock round 10, and Monday morning, when all the world knew that the receivership had been lifted and our company was itself again, the same crowd continued to buy fiercely. To these eager purchasers I resold all that I had previously gathered, and enough short besides, to compensate me for some of the losses I had previously suffered, for this latter I was enabled to repurchase at half price, when news came that another suit had begun against Bay State. This latter drop in price so shattered the nerves of Braman and Foster that they retired, having made up their minds that they did not know quite as much about one end of "frenzied finance" as they did about the other. As a matter of fact, nothing came of the suit in question, for it was evident when the transfer of the Boston gas companies to Rogers' control became known, that Bay State Gas receiverships had played their last successful engagement.

My readers will not object if I again call their attention to the inevitable workings of the law of compensation. The losses occasioned by the market action of Bay State stock in these four days so mixed up Braman and Foster in their financial accounts that later they were sued by their client, Buchanan, who in court stated that he in turn was so confused as to what was done in connection with this business that he really knew less after it was over than before the suits were brought. But one thing was indelibly impressed upon his mind—that his bonds had disappeared in the whirl and he had not received anything for them. I think this suit is still pending.

CHAPTER XXVIII. PEACE AT LAST

When the curtain fell on the closing scene of the performance in the Delaware court there ensued a brief interval of quiet in the affairs of Bay State Gas. Rejoicing in the temporary diversion of public attention, the chief actors proceeded to assume their former rôles, and soon affairs began to move at their old gait. Rogers took possession of all the Boston gas companies and patiently awaited the coming down the pike of some traveller with more money than brains. Having successfully corrupted the State of Delaware, Addicks was being measured for the senatorial toga, when accidentally the blind lady dropped her scales on his unprotected head, which catastrophe laid him out long enough to enable another to sneak the prize he had so long striven for. We are not at present concerned with the affairs of Delaware, and it suffices to say in passing, that after a heated contest one Richard Kenney was chosen to the senatorial seat Addicks had so long coveted, and that this man, a typical Delaware vote-rancher, after being sworn in as United States Senator, was brought back to Wilmington and tried for robbing a Delaware bank, his accomplices being some other heelers of Addicks. The disclosures made in the trial showed that the case in all characteristics conformed to the Addicks standard of indecency, for the bank officials, not satisfied with "blowing in" every dollar of deposits and capital the institution owned or controlled, had actually "lifted" in addition the building in which the bank was situated. One of the court functionaries who had heard the evidence tersely remarked: "Talk about stealing a red-hot stove: this is a case where they took the funnel with it to keep the draught going until they set it up in a new location!"

But Delaware, as my readers have doubtless gathered long ere this, is its own kind of a country, and rewards and punishments are so perversely adjusted that it seems a sort of Topsy-turvydom. In this instance certain of Addicks' heelers went to State's prison and death; Kenney returned to the Senate to help make laws for the great free people of America, while the chief conspirator, with a threat to sue the blindfolded lady for damage done, began to set out the pieces on the Bay State Gas chessboard with a view to trying certain new moves that had occurred to his perpetual-motion mind.

The situation of Bay State Gas stock was fully understood by the public. While Rogers had possession of the Boston companies, he simply held them in trust, and must give them up whenever the parent corporation had coin enough to redeem them. The securities were still in the hands of the public and my friends, and my own duty to get Bay State Gas on its feet was plain. It was again a case of raising money, and to do this we had the issue of securities which we were preparing to float just before Foster and Braman swooped down on us. Addicks agreed that if I would undertake the marketing of this stock, he would issue only enough of it to redeem the properties from Rogers. His directors met and formally "resolved" on this point, and I felt satisfied before going ahead that there was no danger of this money being put in jeopardy without actually stealing it. The company, for the nonce, had no other business but to pay office rent and clerk hire, and in spite of Addicks' financial immorality, all who knew him were aware he took no chances of ever getting himself sent to jail. So I began to sell the stock in the open market.

PART II

CHAPTER I. THE MAGIC WORLD OF FINANCE

Though this is the twentieth century and enlightenment is supposed to prevail throughout this broad land of ours, the majority of people still regard the world of finance as the world of magic. Within the fairy realm of finance the laws of nature apparently are suspended, and, overnight, wonders are worked. The ordinary mortal, wise in all other walks of life, sees the man who yesterday stood beside him at the plough or at the bench emerging from the mysterious portals bearing the fruits of the endeavors of a hundred or a thousand lives, although a moment ago he passed through them with nothing. Who can deny the magic that thus demonstrates its power, or fail to accord veneration to the magicians that work such marvels? No wonder the ordinary mortal feels that he has no license to enter the world of finance save on his knees, hat in hand, bearing tribute to the divinities enthroned within this enchanted territory.

It is my purpose to do away with this extraordinary deception and to show it up as one of the artifices with which tricksters, since the beginning of the world, have imposed upon the people. There should be nothing in finance that any man or woman of ordinary intelligence and experience cannot understand, and I purpose to explain here the machinery of the "System" so that every one will exactly understand it from headlight to rear-end lantern. Many intelligent people have no clear idea of what a certificate of stock or a bond really is, and the words "money," "stock-exchange," and "finance" are mere terms which they glibly use without knowledge of their meaning.

It is not difficult to understand the grocery or the dry-goods business. Standard articles of well-known form are sold by weight or measure over the counters for fair prices. The patrons of such businesses insist on knowing what they are buying—what they are to get in exchange for the money which is the fruit of their labor, and then, after they have been told, and they trade, they require that the goods be as described or they will know why not. The average American would consider it a huge joke should his grocer undertake to induce him to buy one hundred times more sugar than he could use, on the ground that he might find in the sugar bags when he reached home gold and diamonds. But would he not wrathfully seek the police if, after opening his sugar bag, for which he had paid \$1, he found it contained only 50 cents' worth of sugar? He would tell you if you met him at this stage: "You can bet that chap on the corner cannot get away with any such trick as that—not in America. He might in Zanzibar or in the kingdom of the Sultan of Sulu, but I will show him he cannot rob Americans in these enlightened times." The grocer would be hustled to jail without a "by your leave," and thenceforward his name would be a by-word among all honest tradesmen.

And so it goes in every business but finance—finance, the most important of all, the business into which is merged all other businesses, the business of taking and preserving the results of all other businesses, of all other human endeavor. Over our land to-day are big, able Americans, long-headed and experienced, adept at a jack-knife swap or a horse trade—industrious farmers, hard-handed miners, shrewd manufacturers, each in his own line a good business man, yet these sturdy traders, whom the "gold-brick" artist or the "green-goods" practitioner would never dream of tackling, come weekly into Wall Street, or into such branch shops as exist in every community on the continent, and are done out of their savings like the veriest "come-ons." Humbly they take, in return for the gold earned with the sweat of their brows, a piece of paper of a given value which they return later and exchange for half the amount the paper cost them originally. In the space between purchase and sale fifty per cent. of their investment has disappeared—has been filched away, but yet they have no resentment. They evince none of the feelings of the man whose pocket has been picked or whose till has been robbed. On the contrary, their sentiment is of admiration for the banker, the broker, the financier through whose agency their money has been lost.

Take, for instance, the prosperous tanner who goes to his banker with \$100,000, the fruit of ten years' success, and exchanges this sum for 1,000 shares of Steel Preferred. Now, if he were to examine this security with half the thought or investigation he gives to a \$500 car-load of bark, he would learn that there was not 20 cents on the dollar of real value behind it. In six months the eminent tanner is again at the banker's offering for sale his thousand shares of steel. In the meantime it has declined in value and he has to part with it for \$50,000. But he does not complain; indeed, he bows his way out of the palatial office of the great man and is

Frenzied Finance

full of sincere thanks when the banker promises to let him know the next good thing on the market. Suppose our tanner had purchased ten cars of tan bark and found that each car-load was short ten per cent. Would he not at once go to his attorney and exclaim emphatically that he would spend thousands rather than let the scoundrel who had tricked him get away with his swag?

Suppose our grocer waxing rich invests his funds in the Sugar trust. He thinks he knows all there is to be known about sugar. The business of the trust is to make the sweet commodity and sell it to the people. No mystery or magic, surely, about this simple pursuit. Yet when our grocer invests his savings, the sugar stock is many dollars more valuable than when, scared into selling by fluctuations which he cannot see any reason for, he tries to get back his investment. So many times have investors been milked of their savings by this one trust during the past twenty years that in the coffers of its creators and jugglers are hundreds of millions of money that once belonged to the people for which they have received absolutely nothing in return.

Both the tanner and the grocer must know, when they look up and down Wall Street at the great office buildings which tower into the sky on either side of the street, that these are huge hives of expensive bees who, from New Year's to New Year's, do not produce a dollar. They should realize that the hundreds of millions spent each year for the expense of running the "System's" game, and the millions which the game-makers flaunt in their faces, must have been derived from such as they—the men who produce.

It is the phenomenon of the age that millions of people throughout this great country of ours come of their own free will to the shearing pens of the "System" each year, voluntarily chloroform themselves, so that the "System" may go through their pockets, and then depart peacefully home to dig and delve for more money that they may have the debasing operation repeated on them twelve months later.

You may ask if I desire to convey the idea that the great financial institutions and trusts of this country, which have their head centre in Wall Street, are all concerned in a conspiracy to rob the people of their savings. You think, doubtless, that so sweeping a statement goes beyond the truth. I desire to go on record right here in declaring that all financial institutions which in any way are engaged in taking from the people the money that is their surplus earnings or their capital, for the ostensible purpose of safeguarding it, or putting it in use for them, or exchanging it for stocks, bonds, policies, or other paper evidences of worth, are a part of the machinery for the plundering of the people.

This is a terrible charge, I am well aware, but it is based upon a thorough knowledge of the subject and made with a full appreciation of its gravity. I do not mean to say that all the men who handle and control the different institutions I mentioned have guilty knowledge of the bearing of their actions. Many of them are of the purest minds and most honest intentions, and are quite incapable of participating voluntarily in a conspiracy to wrong any one. They do not know, however, that the relation between their own minor institution and the general financial structure constitutes the former an agency for the "System," which controls and has organized the general financial structure into an instrument for converting the money of the public to its own purposes. In fact, the "System" has cunningly possessed itself of the financial mechanism of the country and is running it, not for the object for which the machine was devised, but for the benefit and personal profit of its votaries, and so the vast correlated organization of banks, trust companies, and insurance corporations which were brought into being for the safe handling of the people's savings has become an agency for transferring these savings to the control of unscrupulous manipulators, who take liberal toll of every dollar that passes through their hands.

The duty of the American people is to unloosen the thralldom of the "System" on our financial mechanism; to pluck out of their high places the dishonest usurpers who have degraded the purposes of our financial institutions, and to restore those institutions to their legitimate functions. When the people are fully awakened to the condition I describe, surely they will arise in their wrath and sweep the money-changers from the temple.

CHAPTER II. THE “SYSTEM” AND THE LOUISIANA LOTTERY COMPARED

Years ago one of the greatest evils in this country was the Louisiana Lottery. Through that lottery millions and millions annually were taken from the people and transferred to a few unprincipled schemers, who soon found themselves in possession of enormous fortunes. Wise men called for the abatement of this awful drain on the savings of the nation, but the law-abiding, God-fearing people of the country met their complaints with “Why should we be bothered about this matter? If fools and knaves elect to gamble in such palpably fraudulent ways, let them gamble, and their losses are no affair of ours. It is none of our business.” But presently these honest people had it pounded into their well-meaning heads that the principal instrument by which the swindle was conducted was their own mail service, one of the most important branches of their Government; that, in fact, in each and every city, town, village, and cross-road in all our virtuous land, Government officials were acting as distributing agents for this huge corrupter and robber.

Then the people rose in their irresistible might, and between the rising of one day's sun and its setting this powerful machine went as goes the gum-drop on the red-hot stove cover at a pop-corn soirée. It melted, leaving nothing but a faint odor and a thin stain, both of which disappeared in the next morning's scrubbing, and the Louisiana Lottery was as though it had never been. Yet during its reign its insolent votaries could prove to the absolute satisfaction of all intelligent, patriotic men that it was useless for any man or set of men to attempt the lottery's destruction, because they would be met with the accumulated resistance of the reckless spending of the vast amounts of festered dollars which had been stolen from the people. The argument of these comparatively petty thieves was: “No men nor sets of men can hope to 'stack up' against us, for their money comes hard, cents and dollars at a time; they are obliged to earn it, while we get ours in chunks by simply taking it. We can buy lawyers and can hire law-makers, and we can lease Government officials, and we can outbid any honest men, who are the only ones who object to our game. In the market for legislative or business talent you cannot get within touching distance of us.” Yet the people had but to sneeze and this foul parasite was detached from their free and honest structure and was wafted away with the dead leaves and the dust to bottomless nowhere.

In the height of its prosperity the Louisiana Lottery took from the people only a paltry ten or twenty million dollars a year, while to-day there are single groups of banks, trust companies, corporations, and trusts which take from the people by might, by trick, and by theft hundreds of millions each year; and there are scores of such groups. The Sugar trust has been the instrument of gathering, in one year, a hundred millions of the people's savings, and the Steel trust alone has robbed the people of over five hundred millions of dollars in a single twelve months.

To-day the “System” and its methods are as clearly and as sharply defined in the tangibility of their relation to the people as was ever the Louisiana Lottery. On certain days the Louisiana Lottery sold its tickets, which the people bought with their savings. On a certain day the drawing took place, at which all those who had parted with their dollars expected to receive them back together with immense profits, and upon that day disappointment was spread broadcast among the many and unhealthy joy among the few. So with the “System.” On certain days the public is sold their stock, bond, and insurance policy certificates. Upon other days they look for their savings and profits. On the contrary, they learn that their savings have decreased in value or have been wiped out, and that there never was any chance of profit. My critics will say that such a comparison cannot hold, for in the lottery nothing was dealt in but gambling tickets, whereas the stock or bond certificate represents an ownership in the material things of the country. This is the fallacy the “System” spends millions every year to foster and disseminate. Between the two the difference is in favor of the Louisiana Lottery, for both are gambles and the lottery game was square. Those who ran it had for their trouble a fixed percentage of the profits, an enormous percentage, it is true, but the general fund was never encroached upon by the controllers. Who is to say what percentage the votaries of the “System” take in their game? It depends on how much their victims have to lose. The public have been persuaded, too, that in purchasing stocks they do not gamble, but only invest, or, at the worst, speculate, so they are deceived as well

Frenzied Finance

as plundered. A few millions each year satisfied the lottery owners; the votaries of the "System," among whom the "swag" must be divided, demand millions upon millions each. The tickets of the lottery had a definite value at all times until the drawing took place. The stocks and bonds of the "System" have no rigid or unalterable value when issued or at any other time, and do not represent a fixed ownership in all the savings of the people which have been paid for them.

Morally, legally, or ethically, the Louisiana Lottery, with all its attendant curses, was a far better institution for the people to bump up against every month than is the "System" against which the whole people are now directly or indirectly dealing every working day of the year. Startling this statement may be, but not more startling than the facts. The records of the lottery company will show how many dollars it took in from the public; how many were returned in prizes and expenses; and how many went into the pockets of the owners. The records of the banks, corporations, trusts, and stock-exchanges will exhibit how many dollars were paid into the "System" by the people; how much they received back in return therefor; how much the expense of conducting the business was; and how much profit went to the votaries of the "System." Compare the two and it will be found that there is annually taken by the "System" from the people a hundred, yes, a thousand times more than the Louisiana Lottery ever obtained in the same period.

This being the fact, for how long will the people allow such a monstrous wrong to be done? How long will they suffer a few men to siphon automatically the money of the many into their own pockets?

It is only a matter of simple mathematics to ascertain the day, and that only a few years away, when ten men will be as absolutely and completely the legal owners of the entire United States and all there is of value in it, as John D. Rockefeller is the absolute legal owner of the large section of it of which he is to-day possessed.

When that day is here, the people will legally be the slaves of these ten men.

If this is so—and it is as surely so as it is that the Constitution of the United States of America guarantees to every man, woman, and child who is a part of it perpetual freedom—it is so because the legal interest alone to which the ten men will be entitled and which they must receive (or our entire structure will fall) will of itself bring to their coffers all the wealth in existence within a given time. If this is so, then why have the American people allowed themselves to reach this condition? Why are they to-day not only resting peacefully under this worse than death-bringing yoke, but assisting in the further riveting of this badge of dishonor and degradation?

The reason is simple: They have been lulled to sleep by the "System" and its cunning votaries until they have but a dull appreciation not only of existing conditions but of their coming consequences. It is almost incredible that a people as intelligent as the American people, and as alert to that individual and national honor which they have bought with so much of their blood and their peace of body and mind, can be so deceived and juggled with. When one looks about, however, and notes happenings of which one personally knows, and the degradation and dishonor to which public opinion is seemingly indifferent, nothing is incredible.

One sees a certain man openly displaying five hundred millions of dollars, a sum which represents the life earnings of 150,000 of our population, and knows that this man has secured this incredible amount during forty years of his life. One sees the second highest and most honorable office in the nation, a United States Senatorship, openly bought for a few stolen dollars by a man who up to the very day of its purchase was a watch repairer in a small country town, and who had never done a single meritorious deed or been possessed of worldly goods to the extent of \$5,000. One sees a wily adventuress secure from the banks, which exist only to safeguard the people's deposited savings, hundreds of thousands of dollars on her bare story that she was the possessor of some mysterious documents. One sees a \$6-a-week office-boy of one of the "System's" votaries able to borrow for the "System," on his bare note, four millions of dollars from a New York institution which only exists to safeguard the people's savings—although the law says that such institutions shall not loan to any man on any kind of collateral, even Government bonds, one-tenth that sum. One sees two men, drunk with their success, gouging and tearing at each other's hearts in Wall Street, and sees their gouging and tearing bring about a panic which takes from the people in an hour over a billion dollars and drives scores to suicide, murder, and defalcation—the two men continuing meanwhile as ornamental pillars of society instead of wearing prison stripes. One sees a great railroad corporation, in which are millions of the

Frenzied Finance

trust funds of widows, orphans, and charitable institutions, caught “short” (having sold something it did not own) in the stock–gambling game and held up to the tune of ten million dollars by a reckless stock gambler, who says “If you don't settle to–night it will be twenty millions to–morrow”; and the toll is paid, while the great banker who conducts the release of the hold–up charges the further tribute of twelve million dollars for his services. And then one sees this twenty–two millions of “commission” tacked on to the capital stock of the great railroad which is subsequently capitalized into a “bond” and sold to great life–insurance companies as a first–class investment for their trust funds.

When one sees these things and a hundred other as rankly fraudulent, one should not wonder at anything American connected with dollars.

Such things occur because the “System” has so far been able to keep the public in ignorance of its doings. On the surface there is nothing to suggest that a set of vampires have captured the high places of finance and are sucking away the life–blood of the nation. Our banks and trust companies all present a fair exterior and apparently are the same safe and honorable institutions they were before the canker fastened on them. Only its votaries know what the “System” is, and their way is the way of silence and darkness. A tie, stronger and more effective than the oath of the Mafia, binds them to its service, and woe be to him who dares divulge its methods. He who is bold enough to enter upon a recital of these secrets must be strong indeed to withstand the bribes to silence which would be placed in his hands. The “System” can well afford to pay any price rather than be brought face to face with its past, with an enraged people for referee. And even if the being be found who will venture an exposé of the conspiracy, he will find it strangely difficult to get his story past the traps and pitfalls which will be placed between it and the people for whose enlightenment it is intended.

CHAPTER III. THE FUNDAMENTALS OF FINANCE

Finance is easy enough to comprehend if it be explained, but so long as an explanation is deadly to the interests of the men who control it, one can be sure none will be offered. There is no term more common to-day than “trusts,” and we are surrounded by “trusts,” institutions whose workings during the past twenty years have awakened intense public curiosity to know what a “trust” is. Yet there is not extant a definition of a “trust” which conveys to the rank and file of the people any real idea of what a “trust” is. So vague is the general understanding of the “trust’s” functions and purposes that the most intelligent and honest statesmen struggle and hopelessly flounder when they attempt to define them, and we have at the present time the able chief of our nation talking of regulating them by law, when, as a matter of fact, a “trust” is, top, sides, bottom, outsides, and insides, an absolutely illegal institution, created outside the law, existing outside the law, and having for its purpose the performance of those things and only those things which the law says cannot be performed legally. Imagine our law-makers gravely meeting to make laws for the control and regulation of the pick-pocket or burglar or counterfeiting industry, or endeavoring to prescribe legally the times, places, and amounts of national bank defalcations, or the kind of ink, paper, and pens which must be used by forgers in the pursuit of their profession—imagine it!

In entering upon an explanation of the workings of the “System,” it is necessary to set forth plainly the fundamentals of finance, the few rules and inventions by and through which humanity regulates its affairs. In the beginning, of course, might was right and men supplied their wants by force, trickery, or cunning. In time the disadvantages of this became obvious, for while the stronger could overcome the weaker and satisfy desire, a combination of the weaker units acting together could always wrest the prize from the individual. To equalize things, the people got together and made for themselves rules and regulations governing the conduct of their lives and their relations with one another. This was invention No. 1: *Law*. Presently it developed that the physical barter of the commodities of labor was not a satisfactory basis of exchange; so to the statutes already in existence a new one was added providing an interchangeable token of value. This was invention No. 2: *Money*. The statute insisted that the money be of a fair and just standard, by which all the people should receive the equivalent of their labor, and no more. As conditions became more settled, there grew up a realization of the value of a man's life to those dependent on him, and of the fact that when he died his wife and his children were deprived of the livelihood his labor won for them. A new regulation was added to the code, providing that men contributing to a fund during their lifetime should be entitled at death to leave to their heirs a sum in proportion to the amount of their contribution to the fund, less the actual expense of caring therefor. This was *Life Insurance*—invention No. 3. But there were other calamities less distant than death to be guarded against, and a common fund, also based on the contributions of individuals, to aid and relieve in case of fire and kindred calamities, was organized. Hence invention No. 4: *Fire Insurance*.

And thus the fabric of civilization grew, each addition to the structure being made to cover a want which experience developed. As time went on, some of the people accumulated the fruits of labor, money, in greater quantity than was requisite for their own needs, but which less thrifty or less fortunate brethren could so profitably employ in their own affairs as to be able to pay for its use a fair proportion of what it could be made to earn. Thereupon provision was made for a common place of safety for this surplus money, a place where experts in the handling and putting to use of money could employ their talents, first, safeguarding it and, then, loaning it to others. And the law was made to say that all money put into this common place should be so guarded as to be ready for its owner when he demanded it; that its owner should receive all it earned less the necessary expense of holding it, and that the amount it earned should be only such as those who borrowed it could fairly make it earn. This was invention No. 5: *The Bank*.

As the years followed one another, “the bank” became one of the most important of the people's institutions and grew in number and variety. There came to be many different forms of banks. For instance, *national banks*, which, under the control and regulation of the Government, became depositories for the circulation of the Government's money and were privileged to lend money to individuals or corporations with or without collateral. Funds confided by the people to these national banks had always to be ready for their

Frenzied Finance

owners. A second form was the *savings-bank*, which grew out of the requirements of small depositors and was governed by the laws of its community. The savings-bank used and safeguarded money confided to it in small sums, and these amounts could be withdrawn only by their owners in person, after an agreed term of notice. The savings-bank was allowed to lend only on real estate or certain other securities, the character of which was rigidly regulated by the law. In consequence, it could use its funds for long-time loans and mortgages, so it earned larger rates of interest than the national banks. The *trust company* was a third variation, coming somewhere between the national and the savings-bank, and was regulated, as was the latter, by the laws of the community in which it existed. The trust company, too, received deposits from the people, but was allowed a broader latitude in employing them. It was also authorized to engage in certain other business—for example, to act as manager for a deceased person's estate and even to buy and sell securities. Because of the extra-hazardous business in which it engaged and from which the other two institutions were legally debarred, the trust company earned and paid larger rates of interest to its depositors, and the men who handled its funds were allowed to take for their own remuneration profits in excess of those derived by the custodians of national and savings-banks.

Another deficiency in the business structure growing out of the increasing prosperity of the people was next provided for. When an enterprise became so large as to necessitate several owners for its conduct, the prescribing and defining of the relation of these owners to each other and to the common property became a task of increasing difficulty. So the idea arose of welding the enterprise itself into a separate entity which could do all the things the individual might, and yet exist apart from the individual and independent of his personal dealings and comings and goings. His ownership should be an undivided interest in the whole represented by certificates of stock or bonds, which could pass from him to another without interfering with the enterprise. This was invention No. 6: *The Corporation*. The law then provided regulations for the creation and conduct of these corporations which compelled them to keep their affairs in such shape that all could ascertain of what each consisted.

When these six organizations had been founded, the machinery for the conduct of the business of a civilized people was almost complete. But still one other want developed: with the multiplication of the corporation tokens of property, it became necessary that there should be some place where the worth of these might be ascertained either by purchase, sale, or loan under the regulation of experts. So there was created a common market-place, to which came all those who had corporation tokens of property to sell and those who desired to purchase them; and the prices these brought were announced to the world and became the measure of the value of the institution they represented. Rules for the regulation of the business of the market-place were gradually formulated, and invention No. 7—the *Stock Exchange*—came into existence.

With this addition, the people's organism for safeguarding and economically handling the funds of their labor to the best advantage of all concerned and without interfering with the rights and privileges of individuals was fully equipped. Each separate institution had grown out of an actual necessity and had its own legal organic function, fully understood and defined. And there was no branch of human industry which could not be safeguarded, handled, and perpetuated through this organism, nor could evil come from the existence of any one of these seven components. The robber, the thief, and the pirate, as defences against whom they had been erected, could not seize any of them or the people's savings which they were created to safeguard, because the constitution of each provided adequate penalties for such a seizure. As long as the members of the organism performed their ordained functions the fabric of the people's fortunes was safe from plunder.

CHAPTER IV. THE MAGIC “JIMMY”

It was at this stage that the class which is now the “System”—of which the mighty robber of barbaric days was the prototype—began to cast envious eyes at the accumulated earnings of a prosperous people locked up and safeguarded against depredation, while the owners (the public) rested easy in the conviction that they had fully protected themselves against the spoilsman. The “System” reasoned: “If only a way could be devised to win control of the seven institutions so that all the benefits the people intend for themselves may revert to me and yet I be exempt from the punishment provided for those who attempt unfairly and dishonestly to secure such benefits, I can get a much easier and surer possession of the results of the labor of the people than I was wont to when I took them by might.”

A need defined is half relieved. Outside the treasure-house was the robber enviously surveying its strong walls and iron doors, its locks and bolts, specially designed to defy the felonious intentions of such as he. How safely to win his way in and possess himself of the piled-up gold was his problem. And as he waited and watched, the lawyer, at his solicitation, invented for him a magic “jimmy”—an instrument with which he could not only break through the outside door, but as easily force his way past the complex locks of the chambers inside. What was still better, this magic “jimmy” was also a license to enter upon and take possession of others' properties and use them for his own benefit. It conferred on its owner a legal privilege to steal. The robber was satisfied. The “jimmy” which the lawyer had brought him was the “trust.”

All this sounds very hyperbolic and far-fetched, perhaps, but it is exactly what a “trust” is. The “trust” may also be defined as a master key to the people's financial structure, which enables its owner to enter any or all of the separate institutions I have mentioned, and combine any or all of them, without affecting their respective organisms, into a new organization which possesses the potencies and the privileges of each, but is unhampered by the legal restrictions of any one of them. Like electricity, the exact nature of a “trust” does not admit of rigid definition, but it is a force which can be exerted only in conjunction with financial organisms, which it joins and yet releases, adds power to, and exempts from consequences. Let us suppose that two men are made into a “trust”—this human combine becomes at once free from the bondage of matter and the senses, sees out of the back of its head and passes in and out through solid walls. It has all the combined strength and more that the two men had and all their human privileges and possessions, but it evades nature's laws as to individuals, and the laws of man both as to individuals and other material things.

To put the description in still another way, a “trust” is an institution which endows itself with the right to use any or all of the seven institutions of the people as the people use them, but so made that its user derives from the institutions the benefits the people intended for themselves, and yet is immune from the legal consequences of appropriating such benefits. Two or more men make a “trust” by combining—acquiring the control of—an insurance company, a trust company, and a savings-bank. The new organization *is* all of these institutions, performs the functions of all of them, yet can legally do with their incomes, capital, and surpluses things which, from the very nature of each, none of the institutions is allowed to do—the new organization is all of these institutions until the law attempts to bring it to book; then it evades being any one of them. The trust company is empowered to lend money on speculative ventures which the insurance company and savings-bank may not do, so the “trust” lends the insurance company's vast accumulations and the savings-bank's hoard through the trust company with great profit or tremendous loss and enjoys immunity from the consequences which should follow such disobedience of the law. Moreover, when the trust company shows a profit the “trust” appropriates it, and when a tremendous loss is sustained the insurance company or the savings-bank must bear it.

An illustration: A, B, and C form a “trust.” A and B are president and controller of a savings-bank and an insurance company respectively. They organize a trust company with \$1,000,000 capital, of which the insurance company furnishes the majority; they then elect C president and controller of the trust company, and make him their associate or a dummy. The trust company receives \$5,000,000 of the people's money on deposit. The insurance company deposits \$5,000,000 of its surplus funds, and the savings-bank \$5,000,000 more. The trust company now has \$15,000,000 of the people's savings in its control with which by law it is

Frenzied Finance

allowed to do certain things; but what it does with the \$5,000,000 of the savings-bank and the \$5,000,000 of the insurance company the law specifically says neither one of the institutions can do itself. The “trust” then purchases for \$5,000,000 the stock of an industrial corporation. It borrows the \$5,000,000 and an additional \$5,000,000, which represents its own first profit, from the trust company through irresponsible dummies, depositing the industrial stock as collateral. The “trust” next causes the trust company to issue bonds for \$15,000,000. These bonds are based upon and secured by nothing of worth but the stock. The trust company offers these bonds for sale. The insurance company buys \$7,500,000 of the bonds, and the trust company, through dummies, the other \$7,500,000. By the operation so far the “trust” shows a profit of \$10,000,000. After making this profit and the true worth of the bonds becoming known, these decline back to the original worth of the stock upon which they are based, \$5,000,000, and there is the tremendous loss of \$10,000,000 made. The trust company “busts,” and there is a loss to its depositors of \$10,000,000. This loss is divided as follows: \$3,333,000 to the savings-bank, \$3,333,000 to the insurance company, and \$3,333,000 directly to the people, less the small amount which will be recovered from the stockholders. (These losses will be affected in an unimportant way by the \$1,000,000 original capital.)

In this case the “trust” has done nothing for which those responsible for it can be held civilly or criminally liable. Neither has the insurance company, the savings-bank, nor the trust company, and yet, if there had been no “Trust” and any one of the three institutions had made the loss directly through its own actions, the officers of that institution would have been civilly and perhaps criminally held responsible.

The utility and convenience of the “trust” having been demonstrated, it became a popular instrument for financiers desiring to accomplish all manner of illegal purposes. Especially was it an apt tool for the “System,” which in the meantime was perfecting its control of the people's institutions. The owners of railroads running through the same territory, finding cumbersome and hampering the restrictions with which the community they served had safeguarded its interests, formed “trusts.” Straightway there were valuable results—the combination was emancipated from the regulations which had bound its individual members; competition was eliminated and rates were raised.

As time went on new “trust” possibilities were discovered and other institutions linked up—corporations of all kinds, insurance companies and national banks and savings-banks, were brought together for the benefit of the “System” and the detriment of the public. The end of the trustification of the institutions of the nation is not yet, but the people are to be shown a way by which the plundering process can be reversed and through which they can make their freedom complete and absolute by the complete and absolute enslavement of the “System” itself.

CHAPTER V. HOW THE “SYSTEM” DOES BUSINESS

To follow the various steps in the crimes of Amalgamated, my readers should know how the securities of a corporation are manufactured, how “put upon the market,” how admitted to the Stock Exchange, how prices are made in the Stock Exchange, how fictitious and fraudulent quotations are created and disseminated, until the very shrewdest members of the Stock Exchange cannot distinguish those which are real from the fictitious in cases outside their own manufacturing. Then there is an elaborate and ingenious procedure by which public opinion is moulded, that is, by which people are made to believe that the prices at which they buy and sell the stocks and securities are bona fide; and this is a procedure as compact and as well understood by the “System's” votaries as are the methods of the bank-breaker or burglar—who sends his “pals” ahead to “pipe” the lay of the land—by felony's votaries. When I have shown these things, about which little is known to-day by the public, my readers will have no difficulty in comprehending what I shall lay before them of the actual robberies in the case of Amalgamated and other notorious enterprises.

The underlying principle of the several organisms through which the commerce of the country is conducted is the protection at once of the interests of the individuals composing them and of the public with which they do business. Provided this principle is adhered to, no harm can be wrought to either. Most of the contemporaneous swindles through which the people have been plundered were perpetrated through the agency of corporations, and this organism has become a sort of synonym for corrupt practice. Yet the original corporation invention as I have described it was devised to meet a real want of the people, and it has merely been diverted from its proper use by the lawless votaries of the “System.” Consider the institution as we now understand it. Certain individuals decide to conduct their business in railroads, mines, manufactories, patents, etc., in the form of a corporation and apply to the community—the State Government—asking authorization to do so. They are compelled first to conform to the rules and regulations laid down by the State for the control of corporations, which say in one form or other:

“We create you for the purpose of doing those things that are best for the many, not the few, and if we knew you would use our authority to oppress the many in the interest of the few we would not create you.” The fundamental privilege of incorporation is the legal authorization to issue paper titles of ownership to the business just incorporated. These are in the form of stocks and bonds. Whoever owns these paper titles shall possess the property and the business as the individuals did before they incorporated, and the law presumes that they shall manage and control that business, receive the benefits which come from it, and suffer any loss arising from its conduct, and that all these benefits and responsibilities shall be as laid down in the law. It follows that no harm other than that the law expressly prescribes penalties to prevent can come to any one from corporations thus created, always provided the laws are what they appear and what the people intended them to be, and that they are enforced as the people intended they should be.

It is most important to all concerned in a corporation that the paper ownership shall represent the real value of the property on which it is based, and no more. When the people exchange their savings for these authorized paper tokens, they should be able to rest confident in the State's guarantee that they are worth what they purport.

There have probably been jailed in the United States during the past twenty years thousands and thousands of American citizens whose aggregate stealings do not amount to one-tenth the total taken from the people by either the Amalgamated, the United States Steel, the American Tobacco Company, or a score of other fraudulently organized or fraudulently conducted corporations.

There are various ways of organizing corporations and issuing their stocks and bonds. Sometimes a company is organized to acquire a property; individuals and institutions set down their names to take and pay for the shares or bonds. With the money thus obtained the property is purchased. *Or* the individuals who own the property which is to be the basis of the corporation exchange it for all or part of the stocks and bonds. In the latter event those original owners usually sell to the public the tokens thus acquired.

Honest men in forming a corporation make publicly known the character and worth of the properties or enterprises they are organizing, what they have cost, what their profits are, and what may reasonably be

Frenzied Finance

expected by investors. The tricksters and the “System,” with whom incorporation is generally but the first step in a conspiracy for plunder, surround the proceeding with an air of mystery and refuse information usually with: “We do our business quietly and in silence, and those who do not like our ways may keep out of this scheme.” Their whole procedure is of that high and mighty order which impresses the ordinary mortal with a sense of confidence in the independence of its users and a conviction that their scheme must be so good that they do not care whether they sell or not. This is just the effect it is intended to produce.

The next step is to lead the people toward the shambles. This is done by “moulding public opinion,” and for this interesting function the “System” and Wall Street have an equipment of magical potency. Public opinion is made through the daily press, through financial publications of various kinds, and through “news bureaus.” Every great daily has a financial editor and a corps of experts in finance who spend their days on “the Street” cultivating the friendship of the financiers. At night they are round the clubs and hotels where the brokers and promoters congregate, debating the events of the day and organizing those of the morrow. There are also the strictly financial papers—daily, weekly, and monthly—whose corps of editors and news gatherers live on “the Street,” and know and care for nothing but finance. And lastly, there are the news bureaus, with runners out everywhere to gather in items of news affecting stocks, Wall Street or finance. These are printed on small square sheets of paper, and delivered by an army of boys at brief intervals while the Stock Exchange is open at the offices of the bankers, brokers, insurance companies, and hotels; or the same matter is disseminated by means of an automatic printing machine called a news-ticker. For this service the offices pay the bureaus from \$1 to \$2 a day. News bureaus form an important cog in the machinery for making stock-markets, as it is through the news they furnish to the Stock Exchange and to the offices where investors and speculators gather together that the big operators affect the market. A decision to buy, sell, or “stand pat” is often based on the *on dits* of these printed slips.

The first step toward “moulding public opinion” is taken when the “System's” votaries send for the dishonest chief of a news bureau, a man usually up in every trick of the trade. I will later describe one of them, a scoundrel so able and experienced that, to use the vernacular of the gutter of “the Street,” he can give cards and spades to the frenziedest of frenzied financiers. To this man the “System's” votary will say something like this: “We are going to work off blank millions of blank stock; it costs us thus and so, and we want to sell for so and so many millions.” Nothing is kept back from this head panderer and procurer, for it would be useless to attempt to deceive him, and, to quote his always picturesque language: “Never send a sucker to fish for suckers or he'll lose your bait, so spread out your bricks and I'll get the 'gang' to polish up their gildings.” After the quality and amount the “System” intends to work off in exchange for the people's savings are explained, that part of the plunder which is to come to the head news-bureau man is settled upon. The amount varies with the size and quality of the robbery to be perpetrated. In some cases as high as a million dollars in cash or stock or their equivalent has been paid to a “moulder of opinion” for simply so shaping up a game that the people might be deceived into thinking one dollar of worth was four, six, or eight dollars.

The head of the news bureau, having taken the contract to lay out and carry through the deceptive part of the scheme by which the people are to be buncoed, now begins operations. First, bargains are made with conscienceless financial editors of the daily and weekly newspapers, whereby for so much stock or for “puts” or “calls” or both,[17] they agree to insert in their paper's financial column whatever yarns are fed them by the bureau man, regardless of their truth or falsehood. To justify the attention paid the subject by each editor, a certain amount of money is spent in advertising, in the newspaper that employs him, the merits of the enterprise. The financial journals are dealt with about on the same basis. In return for straight advertising or for “puts” or “calls” they agree to insert the manufactured news. The news-bureau man then puts his entire staff to work inventing fairy tales of one kind or another to excite the interest and attention of the people, and these tales must be so concocted that the public is drawn into believing that the statements disseminated represent actual conditions. I shall, later, give real instances of the working of this nefarious game of “moulding public opinion,” and present it in the lime-light necessary for its appreciation. To show the extent to which this “moulding” process is carried, I know in one instance of a high-priced financial scribe being sent to live in St. Petersburg for no other purpose than to send certain “news items” to a confederate located in Germany, who would get these items to a reputable English banking-house through whom they were given

Frenzied Finance

out in London as news: the whole object of this complicated system being that the news items might be sent back to New York without Wall Street suspecting they were bogus.

I must not be understood as meaning to say that all financial editors, news gatherers, or news bureaus are engaged in this, one of the lowest forms of swindling, for such is not the case. *On the contrary, there are many of them whom no amount of money or influence could make waver in their allegiance to the truth and to honest dealings.* With some of the others I hope to deal specifically later, and I shall not hesitate to set forth in detail certain transactions in which they have been engaged.

FOOTNOTES:

[17] A “put” is the right to sell to a certain firm or individual shares of stock at a stated price for a stated period, and a “call” the right to buy under the same conditions. The holder of the “put” or “call” is under no liability, as he can use the “put” as margin to buy stocks, or the “call” as margin to sell stocks, or he can hold them for the profit there may be in selling or buying the stock after it has declined or risen below or above the price named in the “puts” or “calls” he holds.

CHAPTER VI. HOW WALL STREET'S MANIPULATIONS AFFECT THE COUNTRY

What is the connection between the "System" and the minor financial institutions throughout the country which are owned and controlled by groups of sturdy men who know not Wall Street and its frenzied votaries, and who are ignorant of "made dollars"? Let us see. We will take five national banks in different parts of the country, each having a capital of \$200,000 and deposits of \$2,000,000. One is in the farming district of Kansas; another is in Louisiana in a cotton district; a third is in the orange groves of California; in the mining district of Montana is a fourth; the fifth in the logging and lumber country of Maine. These \$10,000,000 of deposits represent savings earned by the type of men who have made America what it is, and who laugh when they read in their local papers: "Panic in Wall Street; stocks shrink a billion dollars in a day." "Fools and their money are easily parted," they say, "but Wall Street gets none of our honestly earned money." Now the officers of these five banks are honest men and they know nothing of the "System," yet the day of the panic they each telegraph to their Illinois correspondent, the big Chicago bank, "Loan our balance, \$200,000, at best rate." That day the Chicago bank with similar telegrams from forty-five other correspondents in various parts of the country, wires its New York correspondent, the big Wall Street bank, "Loan our balance, \$2,000,000, at best rates."

Thereupon the great New York bank sends its brokers out upon "the Street" to loan on inflated securities of one kind or another which its officers, the votaries of the "System," have purchased in immense quantities at slaughter prices the millions belonging to the Chicago bank and to other correspondents of its own in Cincinnati and Omaha and St. Louis and other big cities. The decline is stayed, and then the world learns that the panic is over and that the stocks, of which the people have been "shaken out" to the extent of a billion dollars, have recovered in a day \$500,000,000 of it, and that probably in a few days more will recover the other \$500,000,000. Who has *recovered* this vast sum? The people who had been "shaken out"? No, indeed! The votaries of the "System" have made it—they and the frenzied financiers whose haunt is Wall Street, and whose harvest is in such wreckage.

The part that the five little banks innocently played in this terrific robbery was unimportant. What is important is that it was the funds of their depositors and others like them which the "System" used to turn the Stock Market and make an immense profit out of the recovery of values. It is true the banks received but two and one-half or three per cent. for the use of their balances, and their officers would scorn the suggestion that they had put any of their money in jeopardy in a Wall Street gamble. But what I have outlined happened, and has happened many a time before and since, and goes to prove my assertion that every financial institution which is taking the money of the people for the ostensible purpose of safeguarding it or putting it to use for them, is a part of the machinery for the plundering of the people.

Sooner or later, every dollar taken by the "System" through Wall Street's manipulation of stocks directly affects every man, woman, and child in the United States. Let us, for example, see how a stock slump in New York affects the owner of a small life-insurance policy in Wyoming. The shares of the American and English ocean steamship companies were bought up by the "System" at double their worth and converted into a "trust." New stocks and bonds to a number of times their value were issued and sold to the public. The great insurance companies bought many millions worth of these securities, using for the purpose the money they had collected from the policy-holders, a dollar at a time. This "investment," at the moment it was made, actually represented a loss to the purchasing insurance companies of millions of money, for millions more than the property was worth or could possibly be made worth had gone to the people who formerly owned the steamship properties, and many millions more to the "System" as its share of the swag. And it should be remembered that the men who organized the steamship trust were the men who invested the insurance company's money in its securities.

The policy-holder in Wyoming knows about the steamship trust and about the terrible loss sustained by those who invested in its securities. He does not realize, however, that his insurance company has been buying such poor stuff, for he is persuaded it is a great and noble institution, and far above Wall Street and its rash

Frenzied Finance

gamblers. Even when he and his kind find their yearly dividends on their policies growing less and less and their premiums rising “because of the tremendous increase in the expense of doing business,” they do not dream of connecting these misfortunes with the “System's” trustifications of inflated securities; nor do they associate them with the glowing accounts of the half-million-dollar seaside palace built by the insurance company's officer who entered the employ of the institution a few years before, with his salary for his fortune, and who is now pointed to as an example of thrift, being worth from ten to fifteen millions.

CHAPTER VII. ECONOMICS OF COPPER

A thorough familiarity with the facts and conditions set forth in the preceding chapters will help my readers to an understanding of the series of complicated transactions through which the snaky course of Amalgamated must be pursued. Its flotation was the most tremendous and public ever even attempted, much less successfully carried out, and in its market career the full resources of stock jugglery were exercised on its behalf. The crimes of Amalgamated are to the delinquencies of Bay State Gas as the screaming of eagles to the chirping of crickets. From its birth this great enterprise went hand-in-hand with fraud and financial dishonor, and the facts I shall proceed to reveal are so formidable in their indictment as to startle even those calloused to the trickery of modern stock deals.

An armistice followed that last desperate battle of the gas fight in the Delaware court-house, and gave me time to turn my whole attention to the plans I had long been maturing in my mind in connection with quite another project—"Coppers."

For sixty years past Boston had been the home of the copper industry. From it great fortunes had been derived, and there was in course of development a copper aristocracy which threatened the supremacy of the East India aristocracy that had so long lorded it in Boston society. Indeed, so far had the rival contingents progressed that there was a serious searching of the pretensions of any new-comer whose origin had to do with other enterprises. "Coppers" were respectable, were genteel, and, above all, were not "trade," for the average old-time Bostonian affects the Anglo-Saxon contempt for the traffickings of retail commerce.

For the benefit of those in the outer darkness, to whom the ways of Boston are strange, it may be explained that the East India trade goes elsewhere under other less euphonious names, and consisted in the swapping of New England rum, made from molasses, water, and other things, for human cotton-pickers. It was a most profitable industry, with a spice of adventure to it, and in which at the time it flourished a gentleman might honorably engage. It may be said that with the paradoxical conscientiousness characteristic of the Puritan mind, the first outcry against the personal ownership of human chattels was voiced by New England, and her leading citizens generously devoted the incomes of the fortunes their forefathers had amassed in the slave traffic to releasing their colored fellow-creatures from bondage. That, however, is still another story.

To return to "Coppers." In my young days in "the Street" in the early '70s, the first task I remember performing was making deliveries of copper stocks traded in by "the house" which was entitled to my twelve-year-old services in return for the three large dollars which I received each Saturday with far more honest pride than any three millions I have since handled. As I grew up I watched Calumet and Hecla advance from a dollar to 450 (it afterward sold at 900) because of its real worth, and imbibed the conviction, which all true Bostonians entertain, that money acquired through copper is at least 33 per cent. better than money from any other source. I sympathized with the State Street code which declares, or should: "Gold can be found in a day by any one with eyes, silver in a week by any one with hands, and money in a year by any one with sense enough to save it, but no man gets into copper without capital, fortitude, patience, and brains." As a matter of fact, it requires, even to-day, with all of to-day's facilities and rush, \$5,000,000 in money and five years of spending it after a copper deposit has been found before it can be made to yield returns. Is it surprising that a project requiring so much money for so long a time should appeal to Boston's regard for endurance, expensiveness, and exclusiveness? Could there be found an enterprise better calculated to discourage the upstart?

My daily round of errands led me from broker to broker and from bank to bank, and always I heard talk of copper. It is not remarkable that my youthful mind became impressed with the profound importance of the metal and all pertaining to it. I picked up a great deal of information on the subject, which I fortified later with a careful study of copper the metal, copper the mine, and copper the investment. As I mulled over the immense returns obtained from their ventures by the men I knew had their money in copper, it struck me as extraordinary that this industry should be so much more profitable than others. Here was a great staple, a necessity of the people, which had been in use since men began to sit up, and would be needed until Father

Frenzied Finance

Time smashed his glass, that returned 100 per cent. gross profit on the business done in it, while the business done in any other staple did not return, gross, over ten to eighteen per cent.; which gross profit gave to the capital invested in copper a net profit of sixteen to twenty-five per cent., while that invested in the other staples returned a net profit of only three and three-fourths to four and one-fourth per cent.[18] The value of money had decreased with the world's development; the cost of the great commodities of life had all come down with the decline in interest—all but copper, which kept its old places throughout all the changes that had occurred in the relations of capital to labor and business. I realized that copper, in that year, would afford a gross profit of 100 cents on each \$2 worth produced; that this great gross profit was legitimate, was not brought about through unfair restrictions or forced combination, or evasion of the country's laws, but was wholly natural, being founded on the fact that the supply was so limited that the demand prevented the price dropping below a certain figure, and that this under ordinary circumstances represented at least 100 per cent. of gross profit to the producer after he had paid for labor and material the highest ruling prices.

No better illustration of the main facts about copper can be found than the condition of the industry to-day, in 1905. The metal is now fifteen and a half cents per pound, and the consumption so great that the price still advances, yet if through an agreement among the producing mines this sales-rate should be dropped twenty-five per cent., it would so increase consumption as to force back the price to a point that would again discourage consumption; and yet in the old mines the cost of producing the metal sold at fifteen and a half is but six to seven and a half cents, in some even lower.

Compare these conditions with those existing in the steel industry. Therein unlawful combinations and unnatural restrictions are essential if those engaged would show a gross profit of even fifteen per cent. on their gross output. If more than fair or going returns are earned, then new capital flows into competition and the surplus again shrinks to an uninviting point. The same is true in wheat, corn, and cotton—big prices invite fresh investments and the planting of broader acreage. Hence the sorry spectacle of the cotton planter who, in 1905, will receive no more for his twenty per cent. increased crop, coming from over two millions increased acreage planted last year, than for his smaller one of the year before.

That my readers may quickly, and once for all, grasp the point I wish to make, I will illustrate:

The Steel trust in 1904 did a gross business of \$432,000,000, upon which they made a profit of \$71,400,000, and yet this vast amount was only five per cent. upon the trust's inflated capital of \$1,400,000,000 odd; and as the "System," in regulating the capitalization, arranged that the preferred stock (and bonds), which represented the "System's" profit, should receive seven per cent., there was not a dollar in dividends for the \$520,000,000 of common stock which had been sold to the people for, in round figures, \$300,000,000.

At the same time the Calumet & Hecla Copper Company produced and sold over \$10,000,000 worth of copper, upon which it earned, net, over \$5,000,000, which enabled it to pay to the people who had invested in its 100,000 shares of stock (par value, \$25), 160 per cent., or a total of \$4,000,000, and, at the same time, carry an enormous amount to its surplus.

In the commercial world copper occupies an impregnable position. To compete, it is first necessary to find a copper deposit; then to lock up a vast sum of money for a long term of years before returns begin to accrue. And new copper deposits are as rare and few and far between as Lincolns and Roosevelts in politics or Grants and Lees in war. In the last eight years, or since the metal has been prominently before the world of capital, but two great producers of copper have been created—the Copper Range at Lake Superior, Michigan, and the Greene Consolidated in Mexico—and these two mines have only, at the end of six years, after an immense expenditure of millions (Copper Range, with a capital of \$38,500,000, 385,000 shares, par \$100, which sold in the open market a few years ago at \$6, now selling at \$75, and Greene Consolidated, with a capital of \$8,650,000, 865,000 shares, par \$10, now selling in the open market at \$25), reached the point of profitable production. Their combined output, while reaching the (for young mines) unprecedented amount of one hundred and odd million pounds of metal per annum, constitutes but a fraction of that which Mother Earth has given up during the period of their development, namely, 2,500,000,000 pounds, all of which has been disposed of and cannot again be used to satisfy a ravenous consumption.

It seemed to me, then, a curious anomaly that, while capital was chasing investments which promised but four per cent., it eschewed copper which yielded from sixteen to twenty-five per cent., and my investigations

Frenzied Finance

told me that a producing copper-mine is the surest business venture a man engages in, for, by the time it begins to produce profitably, it must be so far developed that its owners are certain of ore to work on for decades ahead. A good copper-mine is really a safe-deposit vault of stored-up dividends, which cannot be stolen nor destroyed by fire, flood, or famine. Calumet & Hecla, for instance, though it cost its first owners but a dollar a share, has paid out \$87,000,000, or \$870 per share, or 3,480 per cent. on its par value of \$25, and while it has been paying dividends over thirty-five years, it paid last year \$40 per share, and has more in sight than it has yet paid. And Copper Range, though but six years old, will be producing soon as much as Calumet & Hecla, and has now in sight ore to keep it going fifty or sixty years.

Having pieced together all the facts and circumstances in this connection, I was sure that I had grasped a principle of great commercial value, and I set about finding a cause why the world of capital should for so long have overlooked the tremendous potentialities of this industry. I found the cause in Boston herself, in the characteristics of the city, which was head-quarters for copper, and which had grown in financial power with the revenues her mines earned for her investors. Boston controlled and managed the copper industry, and had since the days when copper-mining was a hazardous pursuit, in which only bold and speculative souls dared engage. In the early days the canny Bostonian demanded for the honorable dollar his parent had earned—exchanging five-cent rum for human beings worth \$1,000 apiece—at least twenty per cent. interest, and having acquired this habit, it became a principle, and such principles as these are clung to in Boston with the zeal of a miser for his hoard or of a martyr to his faith. Looking back over the years, I still recall with chagrin the quiescent hilarity of the scion of a Back Bay family whose good father had been one of the most successful and most brutal of all the “East India traders,” when I suggested to him that he was fortunate in obtaining twenty per cent. on some copper ventures about which he was grumbling. (My readers must not confuse a Boston grumble with the ordinary ejaculations of discontent indulged in by the inhabitants of other portions of the world remote from the Hub of the Universe. A Boston grumble consists of an upward movement of the eyebrow, a slight twitch of the mustache and a murmur cross-bred from “Deuce take it!” and “Scoundrelly!”) “Young man,” he said, “my father said that such a hazardous venture as copper should return at least thirty per cent. to be safe, and I feel if I receive but twenty per cent. that something is radically and unpardonably wrong with the management of the mine.” I did not pursue the argument, for I knew he inherited with his fortune a line of Boston reasoning, and I remembered once having watched a country boy put his tongue on a frosty iron door-knob. I knew better than to invoke again that wintry Boston smile, which in a Western or Southern community would be used to *frappé* mint-juleps or cold-storage hogs with.

No better illustration of the attitude of the shrewd New York investor to “Copper” can possibly be given than to detail my first interview with H. H. Rogers and William Rockefeller on the subject. To-day Mr. Rogers is known throughout the world as the leading figure of the copper world—the copper Czar, so to speak; yet it was only nine years ago when I said to him at the end of a gas-talk:

“Mr. Rogers, would Mr. Rockefeller and yourself look into Copper?”

“Copper?” said he in an amused way, “copper? What kind of copper?”

“Why, copper such as we know in Boston—copper the metal, copper the industry, copper stocks.”

He burst into one of his jolly laughs. “Look into it? Why, I don’t know a thing about copper other than that we had old copper kettles when I was a boy which were used to fry doughnuts in, but I suppose my plumbers would look at anything you wanted, for I remember I get big bills for copper tanks at the house.”

FOOTNOTES:

[18] For those unacquainted with such business terms as “gross” or “net” profit: Gross profit on business done is that first profit which remains after deducting the first cost of producing the goods—in this case copper, the metal; and from this gross profit must be deducted other expenses, such as unusual development expenses, the expense of running the executive departments, interest, etc. This leaves the net profit which is available for dividends.

CHAPTER VIII. MY PLAN FOR “COPPERS”

The plan I had so carefully formulated in connection with “Coppers” was simple in application yet vast in scope. It was to buy up all the good producing mines at their market price, or double if necessary, to organize them into a new corporation and offer its stock to the public at a capitalization of double the original cost. By advertising the exceptional merits of the copper industry and the financial power of the men who were backing it, the public would become educated to a knowledge of the values of “Coppers.” Under this education the world of capital would invest in copper shares until the price had advanced, because of so much capital seeking this form of investment, to a point where the net return was brought down to the going rate of, say, four per cent. This would mean that the old going prices of good producing Boston copper-mines would advance 100 to 200 per cent., which in turn meant that those who risked their money in the first venture (which I figured would require \$100,000,000) would make \$100,000,000 to \$200,000,000, while at the same time the public would make \$200,000,000 to \$400,000,000. This seems like an “Aladdin-lamp” story when it is told, but, as a matter of fact, prices afterward did advance in this ratio, and 100 and 200 per cent. beyond, and many of them, notwithstanding the tremendous drops that have taken place since, still show from 200 to 300 per cent. advance over the prices then in vogue. *Never in all the history of business was there afforded capitalists so fair an opportunity to make honestly and legitimately so vast a sum of money and at the same time to do so much for the people. Nor was there a more honorable undertaking nor one which a man could be more justly proud of carrying to success.*

As time went on, this big enterprise was more and more in my thoughts, and I tested it in every way I knew, going over in my mind and trying out each successive step and link until I was certain the whole structure was unassailable. Then it became my purpose in life to launch the venture. The difficulties of the task were never for a moment overlooked, for I well knew that much money would be required, but with strong backing success was sure, and such a success was tremendously worth attaining. Next to putting in force my financial invention which would remedy the evils of the “System,” this great copper project seemed the thing—the dollar thing—best worth doing in all the world. It was to execute this project that I allied myself with the “Standard Oil” party, for with their money and backing I knew I could carry through my plans on the lines I had so carefully mapped out.

The chief indictment my critics brought against me when my series of articles appeared in *Everybody's Magazine* was that I had turned “State's evidence.” Having been “in with” “Standard Oil” in their robberies of the public, it was not until we disagreed and “split” that I thought of taking the public into my confidence. The truth is, my relation with “Standard Oil” was different from that any other man ever had with that mysterious and reticent institution, and throughout the copper crusade I insistently blurted out our plans and purposes through every channel of publicity I could command. At no time was there the slightest secrecy. From the very first day of the campaign I told the story as I tell it here, and I told it from the housetops by newspaper interviews and advertisements, market letters and circulars frankly and freely explaining what I was about. The absolute truth of the foregoing is easily proved through existing records, for the press of the country contains an almost continuous story, beginning in 1896 and running up to date, wherein I have openly and fairly told what I knew about “Coppers” and detailed the progress of our plans. Time and again, during this period, financial writers commented on my frankness, quoting brokers and bankers to the effect that “Lawson will surely have his head dropped into the 'Standard Oil' basket if he keeps telling people all he knows in this fashion.” For the complete realization of my project the public's interest was essential. The creation of the vast business structure that I had designed required the participation of the great mass of the people, and I was determined that no subservience to the selfish ends of my associates should swerve me from my plan. I saw the enterprise whole; saw that there was great profit for all concerned, for “Standard Oil,” for myself, and for the public; but if the public were not taken care of or were discouraged from participation, then my institution would surely be only another combination of capitalists and I should fail in my ambition.

This is why I so persistently kept in the open throughout my “Copper” campaign. I fully realized how anomalous my position was and how far I had departed from “Standard Oil” precedents; but my thought was

Frenzied Finance

to protect the integrity of my enterprise, and the best way to do this was to have the people partners in its conception and development. To be perfectly frank, the prospect of millions of profit counted for less in my calculations than the honor and prestige I foresaw in the success of my copper structure. As proof of this, witness how I voluntarily gave back the millions I had secured, to make good. To create a great institution, to erect a new and absolutely staple investment, and in doing so to make millions for one's partners, one's self, and the public, would be to live not in vain. The knowledge of my attitude will perhaps help my readers to comprehend the enthusiasm with which I entered into my "Copper" crusade; help them to understand how strongly I resisted, and how deeply resented, the perversion of my fair structure into a pitfall for those I had expected to benefit. My indignation against the "System" is that which any honest man would feel against ruffians who had used his best ideas and his most generous feelings to lure innocent and unoffending people into some den of vice and infamy. If I have not troubled to correct the misstatements of detractors who, in an attempt to discredit my facts, have tried to pillory me as a traitor, it is because I knew that when my complete story reached the public it would make plain how and what I had been doing. The succeeding chapters of this narrative will yield unimpeachable evidence that all my dealing in "Coppers" as an associate of "Standard Oil" were open and as much in the interests of the people as it was possible to have them.

CHAPTER IX. BIRTH OF “COPPERS”

Active upon the Boston market during my Bay State Gas operations were two copper-mining companies—the Butte & Boston and the Boston & Montana. Their properties were in Montana and both were large producers of the metal, that is, they were old and equipped mines. These two organizations form to-day the most valuable part of the Amalgamated Copper Company—in fact, more than three-quarters of all the real worth owned by that corporation.

Butte & Boston and Boston & Montana were essentially Boston institutions, and were both officered and directed by the same set of men. It had come to my knowledge, in the course of my stock business, that there had been bought for the Butte & Boston, with its money, some very valuable mines; instead of transferring these to that corporation, however, its directors at the last minute had turned the titles over to the Boston & Montana. It is only fair to these men to say that up to the present this alleged fact has not been proven, although set forth in cases still pending in the courts. This curious proceeding was part of a plot the subsequent steps in which would be to run Butte & Boston through the bankruptcy mill, and, by placing it in the hands of a receiver, to drop the stock to a nominal figure, at which it might all be gathered in from the public. I verified my information sufficiently to decide to act, and swung the red danger-signal in a public statement telling the stockholders and people in general of the coming move. At once there arose a chorus of denials and recriminations from the management, and the cry, “He's short of the stock and is working a fake to scare us into throwing over our holdings that he may buy them,” from the Stock Exchange, stockholders, and the hireling moulders of opinions, the “News Bureaus.”

The rôle of Cassandra is not more popular to-day than it was in ancient Troy. The swinger of the red danger-signal is seldom heeded, and is invariably suspected of interested motives by the human moths circling round the flickering flames of frenzied finance. When I gave my warning, Butte & Boston was selling between 25 and 30. In accordance with their plan the insiders began to sell, and soon the price began to slide downward, for the great majority of the stock was held by the people. There was a halt when the denials of the management were heard, but only for a moment. The decline continued, growing swifter as it got lower until the stock struck \$2 per share. At this stage, while the stock was on the way to \$2, just as I had predicted, the property was cleverly slid into a receiver's hands by the very men who had so indignantly denied my statement that such would be their action. An assessment of \$10 per share was next levied, and those who held on, hoping against hope, began to throw over their holdings for what they would bring—which was around a dollar.

So far the scheme had slipped smoothly along the single-rail track constructed for it by those in the deal, and just as my information had led me to expect. At this juncture, however, the train struck an open switch, and with a painful jolt for the conductor and the engineers it slid out on a siding—it was my siding. From the time the stock struck \$2 a mysterious purchaser took in all that was offered, and when it struck bottom he was still buying. Suddenly the schemers “tumbled” that the plums they were shaking off the tree were dropping into some other bag than their own, and they started into competition for the coveted fruit.

Next day, and for several days afterward, there were strenuous doings in Butte & Boston on the Boston Stock Exchange. The trading was heavy and the price pushed up from the bottom to 6-1/2. Soon, however, it was slammed to 2-3/4, then back to 6 again, down to 3-1/4, back to 5-3/4, and so on, until the middle of the fourth day, when the rival News Bureau to the “System's” favorite opinion-moulder sprang the following notice set forth on a double-leaded sheet:

“We have just solved the Butte & Boston conundrum. The enormous blocks of stock purchased during the past few days have come in for transfer, and the management now know who owns the bag into which all the stock they have for months been planning to acquire dropped. We have unmistakable evidence that the bag belonged to Lawson, and that he now is in control of the Butte & Boston Company. A hasty

Frenzied Finance

investigation amongst the leading floor brokers which we have just made brings out a consensus of opinion that there will now be music in Coppers.”

The announcement was calculated to interest a good many persons, and I was the target of a thousand inquiries. In answer to the innumerable calls for a denial or confirmation of the statement, I issued the following:

’Tis true. ’Tis my bag, and there are 46,000 shares in it.

It was not until the following morning that I realized what a rarely presumptuous thing I had done. I had invaded a valuable preserve. I had coarsely “butted into” a private copper domain without a by-your-leave to the natives who thought it belonged to them. I was an interloper, an intruder, an upstart. The prevailing opinion seemed to be that it now devolved on me to present what I had purchased to those who had been a bit late in getting to the bargain-counter, or that I should, at least, turn it over to the conscience fund of the Stock Exchange. The copper market reflected the indignation of the baffled schemers. It entered for once into an open competition with Donnybrook Fair, and to judge by the action and feeling developed in both individual and corporation classes, the Hub had Donnybrook jigged to a wind-up. In my various contests with the “System” I had accumulated a certain hardihood which now stood me in good stead. I had learned before this that breaking into a secluded treasure-trove is about as pleasant as taking the lining out of a steel furnace with the metal sizzling and the blower on.

I stood to my guns for the time being and then charged into the ranks of the enemy. I issued the following statement:

TO MY FELLOW-BROKERS AND THE PUBLIC

I have stumbled on the fact that the stock—capital 200,000 shares—of the Butte & Boston Copper Mining Company is a nugget. I bought about 46,000 shares of it at an average of something over 2-1/4, or, with the assessment paid, 12-1/4 per share. I am going to hold it until I get over 50 for it. Barring accidents, I shall get it.

I advise—strongly and unqualifiedly advise—all my friends and the public to load up with it at anything under that price. My friends and the public know whether or not I mean a thing when I say it. I pledge them that I not only mean this but that I shall fight it out, and shall not sell until there is an active and legitimate market for not only my stock, but for what they buy, at over \$50 per share. All intending purchasers must bear in mind this is not a sure thing, for the men who are opposing, and will oppose me, are not conducting their operations from a graveyard, but are as lively and aggressive as Bengal tigers at raw-meat time; but they may rest easy in the knowledge that barring tripping over stumps or into bogs, I’ll give whoever buy a run for their investments.

Buy and watch Butte all the time, and, above all, pay no attention to what the fake “News Bureau” says.

This was the formal declaration of war. State and Wall streets, familiar with my style of fighting, at once lined up and took sides. The papers entered the controversy. According to what one read, Butte & Boston was either the greatest mine in the world or a hole in the ground. Feeling intensified; Geneva and Queensberry conventions were forgotten; it became a go-as-you-please scramble; mud batteries filled the air with liquid dirt, and both sides used Gatling guns to fire off their libels. It was altogether a lusty and vociferous contest, which meant destruction and death for the lame, the halt, and the slow-footed who got between the fighting lines. I was naturally the chief mark for the enemy, and was deluged with vilification. In the Bay State campaign I had learned the personal cost of antagonizing the “System”; the copper magnates showed me that

Frenzied Finance

they had terrors at command which might make even “Standard Oil” jealous. In those days I don't believe my bank account varied thirty–five cents without the news being passed around before the ink on the bank–book was dry, and my family, down to my ten–year–old, received daily or weekly through the mails pictorial representations of their parent being hustled along to the realms where sulphur is the standard of all values. Here is a sample of my usual breakfast–table reading:

C. W. Barron, the proprietor of the “Boston News Bureau,” feels it his duty to inform his readers, the banks and bankers and brokers and representative investors of New England, that that faking ass of State Street, that knave of knaves, Tom Lawson, is braying again, and such braying!—“Butte is to sell at 50, and going to be worth 50.” It would be such a joke that this conservative paper would be only too happy to circulate this scoundrel's vaporings, if it were not for the sad part of such schemer's work—if it were not that the poor and ignorant unfortunates who are unacquainted with this knave, may buy Butte because of his advertised lies at \$14 or \$15 a share and thereby be robbed of what they can ill afford to lose. There is no more chance of Butte & Boston stock selling at \$50, or even \$25, than there is of Tom Lawson telling the truth; and this paper does not hesitate to say that if Butte stock ever does sell at 50, we will upon that day close up our office and forever leave Boston and our lucrative business of guarding investors against such knaves as this lying thief; for any man who would do what he is doing to fleece investors is a thief and should wear stripes, and it is surprising to us he has so long escaped.

It was not so long after the above appeared that Butte & Boston stock was selling at \$130 per share, and that the same Mr. Barron was using his own and his “News Bureau's” best efforts to induce the people whose Butte showed them over \$115 a share profit to exchange it for Amalgamated. At this latter time he was acting for “Standard Oil.”

It may be added that this same Butte & Boston stock, which I was such a knave to advise the people to buy at twelve and fifteen, sells to–day in the form of a share of Amalgamated, for which it was exchanged at seventy–five to eighty–dollars, not cents.

My chief weapon in this Butte & Boston fight was publicity. Every morning while the battle waxed hottest I had huge, striking advertisements in the papers urging the public to buy and to hold on to what they had bought. My opponents responded in kind, and being intrenched in the management, told such alarming stories of the mine that it was often as much as I could do to prevent my followers from being scared into throwing over their holdings. The tremendous expense of this mode of warfare, together with the immense sums my market operations required, kept me hustling, and there were times when things looked distinctly blue. However, the value of victory is measured by the fierceness of the tussle, and far be it from me to complain of my opponents' energy. There was good fighting over Butte & Boston.

The more deeply I became interested in this struggle and the more familiar I grew with “Coppers,” the more advantageous and profitable seemed the prospects of such a consolidation of copper properties as I had in mind. The large holdings of Butte & Boston I had accumulated in the battle gave me a practical basis for my structure, for I could now afford to do all my own part of the work of organization for what I would eventually make when the consolidation was brought about, and I could get for my shares what I knew they were worth. It was at this stage I broached the subject of “Coppers” to Mr. Rogers, and discovered to my surprise that he knew nothing about it or its possibilities, notwithstanding that “Standard Oil” has a department for the sole purpose of keeping the “System” posted about what the world is doing in various directions. Indeed, both he and Mr. Rockefeller laughed when I informed them that we had been trading in copper stocks in Boston long

Frenzied Finance

before the Standard Oil Company received its birth certificate.

Before I could get down to business on the subject I had to take advantage of five gas-talks, offering at each a few interesting and striking facts about the metal. One day Mr. Rogers said to me, laughing pleasantly: "Lawson, we're beginning to look for all your talks to taper off with, 'I wish I could get you to listen to Coppers!'"

"Why don't you then?" I said. "It's the biggest opportunity in the world to-day."

"I'll tell you what I'll do," replied Mr. Rogers. "If you will put through for us right away thus and so" (naming quite a difficult little bit of work in connection with the Brooklyn Gas Company), "and do it in good shape, I'll ask John Moore to run up to Boston next week and listen to your story. If he says it looks anything like good, I'll go over it with you to a finish."

The Brooklyn job was done on time, and I began on John Moore in my office at my hotel in Boston just after breakfast one bleak, rainy morning the week following. I talked for five straight-away hours, and he listened. He was a good listener. On all stock things he was admirably posted, and it was not necessary to waste words. I wasted none. I knew my subject from the letter-head to "Yours truly," and I was playing for a stake that looked as big to me as the sun does to a solitary-confinement life prisoner. At the end of the five uninterrupted hours I agreed with Moore that I had nothing more to produce, and I looked for my verdict. Before starting I had felt sure of winning him; when I was half through I knew nothing could stand against my arguments, and when I had said the last word I felt satisfied that, being human and intelligent, he must be convinced. It took him only ten minutes to show me that I had been talking against ten-inch armor-plate, and that he meant it absolutely when he said, "Lawson, I want to see it your way, but I can't."

It was John Moore's turn then, and he showed me the good thing in an industrial scheme he was floating at that time, and as he wound up he said pleasantly:

"Lawson, we must do something to show for our long talk, so I'll put you down for \$50,000 underwriting." And he did.

If John Moore had seen "Coppers" as I tried to show them to him that wet morning he could not have made for himself less than three to five millions, for in the operation which hung on his decision I had expected to buy stocks that soon after doubled and trebled in value. Calumet & Hecla then sold at 256, and later as high as 900, while Boston & Montana, then 50, mounted to 520. On the other hand, the stock of which he had sold me \$50,000 worth returned at the end of the year but a mere fraction of that amount, and was one of the worst failures of the industrial boom period. It cost John Moore not only an enormous amount of money, but also prestige, and its miscarriage was one of the few bad disappointments of his brilliant career. Afterward, when "Coppers" were the rage and all Wall Street was green with envy at our success and his enterprise was trying to hide itself behind the garbage barrels, John Moore said to me:

"Lawson, we all think we are the masters of our own fortunes, but we are not. We are only working on a schedule laid out by some One who does not take our desires into consideration."

And it is so. The ablest Wall Street man is only like the burglar who, after working for weeks to loot a second story, is astounded to find, while lugging his swag by the police station, that the bag he thought full of dead sealskins contains a live parrot with a lusty vocabulary, "Police! Robbers!"

CHAPTER X. ROGERS GRASPS "COPPERS"

The next day our gas business brought me to New York, and after Mr. Rogers and myself had threshed out the matter I had come about, he said with a smile:

"Well, I've heard from John Moore. Are you satisfied now? Will you drop that copper will-o'-the-wisp?"

"Far from it," I replied. "I'm surer than ever of my position. In going over the ground with Moore I got the whole business in perspective, and now I know I'm right. All his argument amounted to anyway was that it was impossible for so gigantic a thing to have lain out in the travelled highways all these years."

I ran on vigorously for a few moments, in a way I felt might pique his curiosity, if it did not gain my point. Finally he said:

"Well, Lawson, what more can I do?"

"This," I answered: "go over the matter fully with me yourself. I will surely carry it through one way or another; if not with you, with others, and I cannot drop it with you until I have your personal judgment."

Instantly came one of those flash decisions for which H. H. Rogers is noted among his business associates, the oft-proved correctness of which goes far toward making him the pre-eminent American financier of the day.

"Lawson," he said, "be in New York next Sunday, and I will listen until you have run the subject out."

That decision changed the face of the copper world.

Sunday is Mr. Rogers' pick of days for a lengthy hearing, and returning from church, he came directly to the "stowaway" rooms at the Murray Hill Hotel, at which we frequently met while the Wall Street world was trying to trace and keep track of our movements. I had been there for some time awaiting him and was keyed for the struggle.

Of my ability to land John Moore I had felt confident, yet I had failed; but this time in advance I knew success was mine. Experience has taught me that in all dollar matters the man to "talk up to" is the actual owner of the dollars you are after, who when he hears your story and weighs your goods can deal out the *yes* or *no* which means business. I had discovered some years before that few bull's-eyes are scored shooting at a target by mail or messenger. One's finest word-pictures sound better than they read, and if you would have the next man see them in as vivid colors as they appear on your mind's canvas, you must paint them before his eyes. The enthusiasm of the artist, his love of the subject, the deep or high tones of his voice, the very movements of his hands, are all factors in aiding the other man's vision. When he sees what you do, you have won. Nowadays when I have things to sell, I engage the eyes as well as the ears of my purchaser. When the other fellow would make me his customer, he must first sell his goods to my secretary, who may, if he can, sell them to me. Thus I am always able to dispose of the only merchandise I keep in stock, honest goods, and I seldom buy chromos for oils.

As I waited the coming of my most powerful customer, I could not keep my mind off the momentousness of the interview before me. I knew I was at a fork of the road, at one of those departure points from which coming events must date, and I thought of a dream I had had years before in which I found myself drifting with the grim ferryman across the brimming flood, the far bank of which is eternity. In my hand was a long staff with strange and irregular notches on it. And these represented the actions of my life. Some were shallow, others deep and wide, and as I ran my fingers up and down, I seemed to remember what each nick commemorated—the good things and the bad things, here a death, there a disappointment, this a victory, that an error. I wondered, as the circumstances of the dream came to my mind, what kind of marking this day's events would make on my life staff, and I felt a conviction that it would be both deep and wide.

Then, as I heard Mr. Rogers' footstep outside my door, I forgot all about dreams and notches and plunged into my argument.

"Mr. Rogers," I began, "you and your associates have unlimited money. You have not always had it. You have obtained it through business projects and you are using it in business projects to get more. There are two ways of adding new dollars to those in your possession: by taking them from others so they are losers and you the gainer, whereby you win at the cost of their happiness; or by expanding the world's wealth so that others

Frenzied Finance

gain when you do. You, I know, prefer the latter, that others should make money when you do, rather than that they should lose and suffer when you are benefited.”

I did not then know “Standard Oil's” and the “System's” religion as I do now. I had yet to learn the cruelly cynical principles that guide this financial Juggernaut in its relation with men and things. I imputed to it the generosity and freedom which seemed to characterize Henry H. Rogers' personality, ignorant that the man and the machine he served might stand for different things. The “System's” Big Book says: “A dollar honestly made makes another for some one else; but a dollar taken is two dollars, because it increases our power and diminishes the people's. Between the 'System' and the people must be eternal war, and it is the price of the 'System's' existence that all opportunities of weakening the people are sternly utilized.”

“Mr. Rogers,” I continued, “I have discovered in 'Coppers' an opportunity whereby you and your associates can, by the investment of a hundred millions of dollars, obtain these results: *First*, your money will be as safe as in anything you now have it invested in. *Second*, by indorsing this form of investment with the seal of your business success, you will make it known to all who have money and there will at once arise a tremendous demand for its securities. This demand will drive prices up until dividend returns are in normal proportion to the legitimate value of the security, namely, four to six per cent., which is, as I can prove to you, a little more than can be got from anything else but 'Copper' with the same elements of safety. *Third*, when the advance I foresee occurs, your one hundred millions have doubled, and all those who have joined us in the venture or have held on to their stock will gain in the same proportion. As I estimate that we will have but a third interest in all the good American 'Coppers,' there should be something like \$200,000,000 for the people, while we will have made \$100,000,000. To bring this about I have planned a campaign which will make what you have done known from one end of the world to the other, and will persuade the people at large to look at 'Standard Oil' in a more favorable light than they do now. And, what is more, all this money can be made and all these benefits rendered without taxing any one a single additional dollar, for there will not be a penny a ton added to the price of copper the metal, nor a reduction of a mill a year taken from the wages of those who mine it or work it.”

Here I halted. I had made a beginning, and I was familiar with Mr. Rogers' system of diagnosis and treatment. Propositions placed on his operating-table are invariably dissected in parts—this is the winner's method; so if, under the probe of his keen mind, one section or limb is found stiff, dead, or unhitchable to that to which it belongs, he at once stops operating and the corpse is removed.

“How is it the situation is as you outline it?”

I drew the picture of copper Boston as I have given it in the early part of this chapter. It astonished him.

“How do you prove that safety in this class of investment is more assured than in others?”

I reeled off the facts: A copper-mine, from the very nature of the business, must be developed years and years ahead before it entered the ranks as a regular producer. The price of the metal being practically fixed within certain limits, the mine's value, present and future, could always be told to a certainty.

He saw it. He put me through a thorough examination about my second claim that the price would advance 100 per cent. I again astonished him by showing him what a market there was and had been for many years for copper stocks, and that it was simply a question of educating investors at large to their merits to advance them to the price my plans called for.

When he came to the question of the amount to be invested and the aggregate amount of profit, he did not attempt to disguise his surprise when I showed him there were 150,000 shares of Boston & Montana which had been selling at 20-odd and were now 50-odd, and could surely be bought between 50 and 100; and 200,000 shares of Butte & Boston, 100,000 outside of what I and those who had bought with me owned that could be had at an average of 20 or 25; that there were 100,000 shares of Calumet & Hecla, selling at 250, large quantities of which could be gathered in between that price and 400, and so on through the list. Mine after mine I enumerated to him, all as sure dividend earners in the future as they had been in the past, to an aggregate, without touching any of the uncertain ones, which it would surely take one hundred millions to purchase, and as I called them off, he listened patiently while I gave him a full history of each.

Then I outlined my sensational but never before attempted plan of campaign for educating the public, he vigorously questioning me as to details and particulars the while.

It does not take Henry H. Rogers months, weeks, nor even days to grasp any plan, however vast, nor many

Frenzied Finance

minutes to come to a decision after he has grasped it. I believe he would, if the world were going to be auctioned off next week, be the first man on earth to decide upon a limit price that he would take it at, and three minutes after it was knocked down to him he would be selling stock in it at 150 per cent. profit.

Just before lunch-time I saw that the effect of my arguments on Mr. Rogers was the exact opposite to that they had made on John Moore. When I had come to a finish, Mr. Rogers simply said: "It's curious, Lawson, why I have not listened to you before. I'll talk with William Rockefeller to-morrow. No—I'll make it this afternoon if I can get at him."

And his eyes snapped a bit when, as I was helping him on with his coat, he said, "We must not lose a minute in getting to work."

As he left the hotel and before I crossed the street to the Grand Central to take my train back to Boston—I suppose I should not say it, but I shook my own hand in self-congratulation. How many times since I have thought that had old Dame Fate but hung out a danger-signal for this faithful servitor of her behests, or had but given him a glimpse ahead through the years 1899, 1900, 1901, 1902, 1903, and 1904, instead of using his hands in cordial self-clasping he would have employed his feet in the more fitting task of kicking himself.

If Henry H. Rogers had been slow at getting started on "Coppers," once in he made up for his early tardiness. After our Sunday interview things moved swiftly forward. Before noon next day he called me up on the telephone to say that both he and William Rockefeller were impatient to have my facts and figures verified, and would I at once send my data to start his experts on? I mailed him a bale of "pointers," and from that hour until the flotation of Amalgamated Mr. Rogers' enthusiasm on "Coppers" constantly grew until there actually came a time when it went beyond my own. It took him months to complete that rounding-up of the situation which is the absolutely necessary preliminary to the making of final decisions on any far-reaching and important project to which the magic name of "Standard Oil" is to be permanently attached.

This period of waiting I duly improved by continuing my fight on Butte & Boston, and by way of intensifying the campaign I included Boston & Montana in the tussle, and led a fierce attack into the stronghold of my opponents. While this war was at its bitter height I received word from 26 Broadway that at last reports were all in, and that they were ready to talk business. Next day I was in New York.

"Lawson," said Mr. Rogers, "our experts have examined your plans step by step and have verified your conclusions. It is an exceptional situation, and one we are equipped to handle."

Then and there we had a "to-a-finish-sit-down," and while I had in my time gone pretty thoroughly into the general subject of "Coppers," and thought myself well informed thereon, I was surprised at the completeness and detail of the reports that had been prepared for the "System's" master. In beautiful shape, concise, clear, comprehensive, the entire copper industry of the world was spread out before me. Every mine had its place and its history—not merely the mines of America, but those of Europe as well; and fully set forth were the extent and cost of the product of each, the profit it made, the men who owned it, and—miraculous "Standard Oil"—the standing, financial and otherwise, of the men who might have to be dealt with in our prospective trades.

Rogers smiled watching my growing surprise as I ran over the extraordinary budget of facts he had collected. I said to him:

"This is wonderful. You have here all there's to be known about the subject, and I marvel how you got hold of so much inside information."

"Standard Oil' has its own way of doing things," he replied. "You told us your copper plans would mean an investment of \$100,000,000 of our money, and now's the time, not after we have parted with it, to find just what we are to get for it."

The world has never yet heard of "Standard Oil" locking its barn door after some one has stolen its mule; for that matter, it is not of record that any one ever locked the gate after his barn had been visited by "Standard Oil." The reason is that, with the thoroughness characteristic of this great reaping-machine, it never fails to take the barn with the mule.

At this meeting it was agreed that Henry H. Rogers, William Rockefeller, and myself should become partners in my plan of "Coppers," they to furnish the capital and to have three-quarters of the profit, I to have the remaining quarter. The campaign for the execution of the enterprise I agreed to work out and submit as soon as possible, and we parted.

Frenzied Finance

As I bade them good—by Mr. Rogers said to me:

“Your baby is born, Lawson, and if you put the same kind of work on raising it you have in bringing it into the world, it will be a giant.”

From that day it was understood that we were together, and that all my dealings in “Coppers” outside Butte & Boston were for the joint account—that is, they were to have the right to come into all my operations. Those they did not care to join in I had the right to put through alone. On the other hand, I must not undertake anything on their behalf without a specific understanding with them.

Thus began Amalgamated, that extraordinary dollar—thing which shot up in a night and grew as grows the whirlwind, until even its creators wondered at its mightiness. It waxed greater and stronger while the world watched and waited, until finally there came that tremendous and unprecedented culmination when lines of investors fought round the portals of the greatest money mart in America, the National City Bank, for a chance to obtain the \$100 shares of this \$75,000,000 institution. And the world wondered indeed when it was announced that Amalgamated had been oversubscribed over \$300,000,000.

Thus began Amalgamated. It might have brought to all the world good—will and happiness, and to the men who made it much glory and the great regard of their fellows. Instead, it has wrought havoc and desolation, and its Apache—like trail is strewn with the scalped and mutilated corpses of its victims. The very name *Amalgamated* conjures up visions of hatred and betrayal, of ambush, pitfalls, and assassination. It stands forth the Judas of corporations, a monument to greed and a warning to rapacity. May the story that I am to tell so set forth its infamies and horrors that never again shall such a monster be suffered to violate and defile our civilization.

CHAPTER XI. THE COPPER CAMPAIGN OPENS

My plans for the great copper campaign were most carefully diagrammed, then spread before Mr. Rogers and Mr. Rockefeller, who, before approving, tested every detail of them. The formal scope of our action decided on, it was agreed that I should be free to work in my own way, and it was understood that I should, as far as possible, carry the campaign on my own shoulders, using to the limit my personal capital and credit. "Coppers" was to be a Lawson operation on the face of it, and I was determined, for many reasons, to avail myself of "Standard Oil's" aid only in taking care of completed transactions and not at all in the preliminary negotiations. This was not always possible, but my attitude in the matter and my desire to make a brilliant showing explain the straits I was sometimes put to in conducting some of my deals. From the start I had a big personal stake in the success of my campaign, for at the time I first showed Mr. Rogers my hand I had 46,000 shares of Butte & Boston, and my following among the public owned as many more. They had agreed that the profits on this stock, when it was taken into the consolidation, should be mine entirely in payment of my own work and risk.

There was another transaction I had in mind which also fairly belonged to me. As I have stated, I had undertaken to dispose of Bay State Gas stock, and by this time I had succeeded in placing a large number of the shares. The proceeds, \$2,300,000, were in the treasury of the company. Now the charter of Addicks' company permitted it to buy, sell, and deal in anything and everything, and I saw here a good opportunity to enable Bay State to earn the balance of the money necessary to relieve its indebtedness to Mr. Rogers—between four and six millions of dollars. So I explained to Mr. Rogers that as soon as our copper deal had progressed to a point where there was absolutely no risk, and a large gain was assured, I would make a bargain with Bay State whereby for a part of the profits I would pilot the investment of the company's cash in Butte & Boston. This proposition he considered fair, and he agreed that neither he nor Mr. Rockefeller would consider themselves "in" on that bargain, save as indirectly profiting by it through the successful winding up of their Boston gas investments.

It is impossible for any great move to be begun in the stock-market without some suggestion getting into the air which notifies "the Street"[19] that "something is up." Not long after my alliance with Rogers had been formally arranged, the atmosphere of State Street grew thick with rumors about "Coppers." Some of these announced that I had hitched up with "Standard Oil"; others denied it; between them all a movement was created, and the leading stocks became very active and increased rapidly in price.

We had agreed that the first companies to go into our consolidation should be Butte & Boston, Boston & Montana, Calumet & Hecla, Osceola, Quincy, Tamarack, and any other of the long-established properties of which we could get hold. It would be difficult, we knew, to purchase the control of the Calumet & Hecla, for its owners thought too highly of their investment to part with it, but it was safe to buy whatever was offered, and if we accumulated less than a majority of the shares we could easily resell at a large profit. I began my operation with Boston & Montana stock, buying cautiously and obtaining it at fair prices, and this transaction, though conducted quietly, added fresh fuel to the rumor blaze. Finally Boston became so excited over the situation that I came out with a public statement in which I frankly showed what I was trying to do. In all such affairs, however, the explanations of any man known in his business as a stock speculator or manipulator are never accepted as true. It is assumed that such announcements are merely blinds to disguise his real purpose; that they are feints or manoeuvres in his campaign. So when I declared that I was working out plans for the consolidation of all good Boston "Coppers," and that associated with me were the strongest capitalists in the world, a laugh went up from a goodly portion of "the Street." The hiring news bureaus shrieked at my presumption and the absurdity of my combination, and when after a hot day's operations I was quoted in the financial press as telling my followers that it was "Standard Oil" money which was to back "Coppers," Barron, whose News Bureau moulded opinion for the opposing copper magnates, came out with a statement:

"Lawson is spreading in his peculiar underground ways that the Standard Oil crowd is looking into Coppers. Just enough countrymen swallowed his yarns to enable him to boost prices

Frenzied Finance

over six points to-day, but by to-morrow, when the Rockefellers or Rogers of Standard Oil put their foot down on his transparent lies, those who were foolish enough to listen to his ridiculous fakes will find they must sell at a loss. We can say, on a high authority in Standard Oil, that they have never bought nor contemplate buying a share of any copper stock.”

My enemies were numerous and powerful, and there were many other announcements of the same character as Barron's tending to cast ridicule on my movement and expose me as a falsifier. Indeed, notwithstanding the merits of the plan and the benefit it must confer on all copper properties, I was assailed as fiercely as though I had advocated anarchy or had prepared a scheme of wholesale plundering. In stock affairs innovations are resented and resisted even more fiercely than in other walks of life, and the Boston money crowd fought me tooth and nail. The titles I acquired in those days were varied and startling. For one set I was a “charlatan,” “wizard,” “fakir,” an “unprincipled manipulator”; in another I was a “copper king” or a “prince of plungers.” Feeling ran high, and prices rose and fell in the most erratic and extravagant fashion. Certain stocks advanced or receded from five to ten points in as many hours or minutes. Fortunes were made and lost daily. Many people, confused by the conflict of opinions and announcements, sold their holdings, only to repurchase at higher prices as prices continued to mount. So fiercely was I attacked that it almost seemed at times as if my enemies might prevail in spite of the great powers at my back. Indeed, there were tense moments when my fate as well as my plans trembled in the balance. Several times I was sent for by Rogers and his colleagues for a war council, and sometimes, as I detailed my lines of defence and enumerated my resources, I suspected that even these storm-seasoned warriors were tiring of the fray.

The fiercest fighting at that early period centred round Butte & Boston and Boston & Montana. Many a spirited engagement we fought on the floor of the Exchange. Perhaps the fiercest of these began when, after a strenuous rush one morning, I rapidly carried the price of Butte up. This exploit so enraged my adversaries that they got together and organized a powerful combination against me. This included several of the leading banks and trust companies of Boston that held large amounts of stocks as collateral for my loans. At a given moment it was arranged that all these loans, aggregating millions of dollars, should be called; and further to intensify the complication they expected to bring about, a great friend in common attempted to scare Mr. Rockefeller and Mr. Rogers by informing them that the titles to the copper properties were defective, and that a man, then unknown, named Heinze, who had made himself very strong with the Montana courts, was about to make a move to confiscate them. There was a hurry call for me from New York, and this time the explanations had to be very full, for “Standard Oil” had an impression that while my general plan might be meritorious, it was possible that I had the details “skewed.” However, I satisfied them as to the facts and then hurried back to tackle my own problem, for these individual engagements I handled myself, using my own personal resources to take care of them. The emergency that had developed thus suddenly was so serious as to be alarming, and it devolved on me to act, and at once. Blows in finance are like those at sea—the most dangerous are the quick-come-quick-go kind. I recalled one I had run into a short time before on my sailing yacht. We were broad-reaching down the New England coast, close in, with a 20-knot sou'wester blowing. Suddenly, without apparent reason, my skipper put the wheel hard down and brought the craft up standing. A second later a “twister” from the hills hit us, and adroitly he headed her into it.

“How in the world did you know that was coming?” I asked.

“I smelt her, sir,” the old sea-dog replied, “just smelt her.”

For those unacquainted with the freaky ways of our New England coast winds it may be explained that when a “twister” off the hills gets ready to do business in a 20-knot sou'wester it sends no messenger boys ahead to distribute its itinerary handbills. You hear one shriek and the blow is upon you; and woe betide the unthinking skipper who attempts holding his craft to her course or paying her off till she catches it full. He is likely to have mourners at home if a married man, and “cussing” owners if the craft is not his own. As my old sea-dog afterward wisely observed: “When you smell a land 'twister,' act first and think atterwards, or your widow 'ill get blear-eyed watching for you to make harbor.”

In the stock-market it was decidedly a case of “act first and think atterwards.” The “twister” was a fierce

Frenzied Finance

one, for not only were my stocks assailed, but the rumor machines were turning out all sorts of yarns affecting my credit, as the knowledge gradually filtered through the market that my loans had been called. My stocks broke badly, and when the market closed it really seemed as though I might have to verify the report that they would wind me up the next day.

It was at this particular stage that the Bay State was let into the deal. I had a long consultation with Addicks that night and showed him my hand. He agreed that with what I already had of the stock and "Standard Oil's" backing, the venture came as near being an absolutely sure thing as could ever be found in stocks. My proposition was that I should secure for the Bay State Company 50,000 shares of Butte at an average of 20 to 25, and that I should have half the profits of the venture provided they aggregated over two millions of dollars. Coming to Addicks in this emergency was cold-blooded business on my part, and, it goes without saying, was frozen-blooded business on his, for he evidently saw then what I did not until later, that there was an excellent opportunity to practise his pet game—make money and double-cross his partner while doing so. We clinched the deal that night, and next day in the market I turned the tables, for I took every share my opponents offered for sale, and the stock, instead of dropping out of sight, became firm, then began to mount, and never after fell again.

The Bay State's venture showed a profit afterward of four millions of dollars, but of my share of this large sum I was deprived, as I will detail later.

At this juncture there occurred one of those strange and sad fatalities which with its attendant circumstances helps to explain why those of us who play with stock-markets grow superstitious. I have spoken of my secretary, Mr. Vinal, a man of admirable discretion and absolute loyalty, who was my right hand in executing the minutiae of the various operations I then was engaged in. In such affairs the fidelity of one's aides must be beyond all question, for if the merest detail of one's plans leaks out at the critical moment, one is undone beyond recovery. After my talk with Addicks I had laid out the campaign for the next day's engagement and called in Vinal to explain to him his own part. He was to attend to taking up and transferring the loans that had been called, and I armed him with my power of attorney and blank checks, instructing him to put these matters through without further consultation with me, for my entire time must belong to my brokers during the battle of prices which I knew must inevitably come with the stroke of the gong that opened the Exchange next morning at ten, and which would rage until its close at three. As I had anticipated, the assault was fierce. It was give and take, charge and retreat, all day. A few minutes after twelve, Vinal pushed through a crowd of brokers to me and said: "I'm about half through my shifting, but a telephone has just come from Mrs. Lawson saying that something has happened at the school and will I at once get a carriage and bring your daughters home. It will take half an hour. Shall I go?" I replied: "You had better, but get back as quickly as possible." A minute later a thought occurred to me, and I sent a boy to call Vinal back. He reported that my secretary had jumped into "Ben's" cab ("Ben" was a cabman whose stand had been in front of my office, 33 State Street, since my boyhood days). I returned to the fray. Fifteen minutes later the appalling message that startled all Boston at the time came over the ticker tape: "Terrible Explosion! Boston Gas Company's pipes in the Subway have blown scores to death." Then there floated in to me a rumor, vague, indefinite, that Vinal was a victim. I jumped into a cab and in a few moments was at the undertaker's to whose place the corpses were being removed. The undertaker stepped up to me and said: "Poor Vinal! Don't look at him, for it is frightful. He was on the very apex of the explosion, and he and 'Ben' were both instantly killed and are frightfully burned. The only thing recognizable is this envelope, which I found among the rags that were left of his coat." He handed me over the large envelope in which I had seen Vinal that very morning depositing the various documents, checks, and securities which he required for his day's operations. It was burned around the edges, but the contents were uninjured, and among the papers was a carefully prepared memorandum showing to a dot where my secretary had left off in his exchanges. He had evidently just finished making notes, for so carefully arranged were the contents of the envelope that all that was necessary to complete the business was to turn it over to Vinal's assistant. No further explanation was required. That envelope represented two millions of money and securities.

Poor Vinal! Another victim of that soulless corporation hag, Boston Gas, to prolong whose life he had spent some of the best years of his own. Vinal was very dear to me. He had filled my canteen, held my ammunition, and carried my knapsack through many a hard-fought battle, willingly allowing others to do the

Frenzied Finance

cheering in victory, but reserving to himself the right to suggest and console when the clouds lowered and we were left alone on the field of defeat or the dusty road of retreat. Poor Vinal! He was worth a hundred copper deals or corporation hags.

Between death and life, success and failure, what a hair's-breadth after all. If Vinal had stubbed his toe, or had been able to take the first cab he found; if he had heard my call which would have brought him back; if he had tarried a moment longer in the Young Men's Christian Association where he had stopped to deliver a message, he would have escaped. The thought did not occur to me at the moment, for Vinal's death was too keen a personal sorrow to allow me to estimate my own narrow escape, but if that envelope, so miraculously preserved, had been burned as were the other papers in my secretary's pocket, there might have been no Amalgamated. "Coppers" must have dropped back to the lowly place from which Rogers had lifted them, for I should have been financially ruined.

To show the marvelous workings of Him who tempers the wind to the shorn lamb: At the same moment that I was called away from my guns, the commanding general of the opposing forces received the same call. The aged mother of the President of the Boston & Montana and Butte & Boston, while riding in her carriage, had been a victim of the same explosion.

FOOTNOTES:

[19] "The Street" is a general term used to designate the stock operators, the fraternity in New York being known as Wall Street, in Boston as State Street, and in Philadelphia as Broad Street; these streets are the centre of the financial districts of their respective cities, the Stock Exchanges being situated on them.

CHAPTER XII. THE BUNCOING OF THE STOCKHOLDERS OF UTAH

This was veritably a period of financial delirium in Boston. No one talked or thought of aught but "Coppers," at least no one with a spare dollar or good credit. The air was full of mysterious yarns and the Stock Exchange was hung with Aladdin lamps. From every nook and corner of State Street, from the chinks between its sedate old cobblestones, came forth copper-mines—mines undreamt of before and unheard of since. Innumerable devices were rigged to take advantage of the prevailing intoxication. The prices of the strong properties leaped up with breath-taking rapidity. The copper epidemic spread over New England and began to extend in constantly widening circles through the rest of the country, while from England, France, and Germany came daily news of symptoms which proved that the infection had crossed the ocean. I, with my hands full, kept two secretaries busy shooing away industrious promoters who came at me in armies with old and new copper properties, which I might have on my own or any old terms.

In the midst of this excitement I had my first real demonstration of the "System's" method of making dollars from nothing. Well as I thought I knew the stock game, I'll admit that I looked on open-mouthed, like the veriest novice, at the magic wrought by the simple use of the name "Standard Oil." Even now I can hear myself as I gasped: "Heaven help the people if this sort of thing can be done in America, for Heaven alone has power to help them."

The Boston and New York brokerage house of Clark, Ward & Co. had promoted the Utah Consolidated Mining Company of Utah. It was less than two years old, and its 300,000 shares had been kicked from gutter to curb and curb to gutter at from \$2 to \$4 per share. Samuel Untermyer, the astute corporation lawyer who, on his own account and as the representative of a large European clientele, had long been interested in "Coppers," had taken hold of Utah, and believing it a good thing had bought large quantities of its stock for himself and his European connections. Under the stimulus of my campaign the price of this stock had leaped to 17 or 18, and rumor had it that Utah was a prospective factor in my consolidation. One day Mr. Rogers asked me if I were in any way responsible for these rumors, and I replied that I knew nothing more about them than that they were in circulation.

"Good," replied Rogers. "Do this, then—send word that we propose to issue a denial that we are to have anything to do with Utah Consolidated, and bring me their answer."

I carried the message in person. The Utah people were absolutely panic-stricken. Such an announcement meant destruction to the pretty price-fabric they were rearing, and they begged to be allowed to make a proposition to Rogers before he should declare himself. This was their proposal: That Mr. Rogers should admit their property to the consolidation provided he found it good enough; that every facility should be accorded his experts to examine the mine; and that if the report was favorable, and they were convinced that it would be, and he decided to take hold, he should be given an option on a block of stock way below the market.

This offer I took back to Mr. Rogers, who smiled one of his thin, easy smiles, and questioned me closely about the genuineness of the market for this stock. Could 50,000 shares be sold readily? I assured him that when it once became known that we were even looking at Utah it would be easy to sell 100,000 shares and at constantly advancing prices.

"All right," said Mr. Rogers, "if you're sure of this we'll go ahead. Tell them we'll take a sixty-day option on 50,000 shares, no liability to us, at—well, we'll be liberal, say at 15, and when you mention the price impress upon them that I know it cost them but \$2 to \$4."

I returned at once and began negotiations, but, as is usually the case, the fact that "Standard Oil" was nibbling leaked before I had clinched the option, and before we had even begun to examine the property, prices had advanced until there was a profit of \$500,000 for us in the transaction. To look over the Utah property Mr. Rogers sent his son-in-law, Broughton, and in a short time I got word to feed out the 50,000 shares on the market at the best prices obtainable, and to borrow it for delivery in such ways that the Clark-Ward-Untermyer contingent should suspect nothing about it. No information was given me as to the expert's report, and I was absolutely ignorant whether it was good, bad, or indifferent, though from the fact

Frenzied Finance

that we were to sell the stock I inferred that it was unfavorable. The public took the 50,000 shares at between 32 and 36, much as an elephant takes in water after a thirsty tramp across sandy deserts—the shares were just sucked in without a gulp or a gasp. I did not know until long afterward that the purchasers were the English holders who had contributed the greater part of the 50,000 shares to meet our option—in other words, were buying back from us their own stock at more than twice the price we were to pay them for it, and that their eagerness was due to confidential information that the expert's examination had disclosed such richness that the price would surely jump to over \$100 when “Standard Oil” assumed the management. Just where they acquired this information or how it was put in their path was a matter I never found out. As I have previously demonstrated, “Standard Oil” has its own system of wires and underground passages and rumor bureaus. It works in mysterious ways its wonders to perform.

This section of the deal was soon wound up, and the transaction showed us a profit of \$1,000,000. That is, we had sold 50,000 shares which we did not possess, but which were ours on demand, for \$1,000,000 more than we should have to pay their owners for them. When I reported my success to Mr. Rogers he expressed complete satisfaction, and ordered me to inform the Utah people that another 50,000 shares must be added to the option, as he could not think of tacking the great name of “Standard Oil” to an enterprise in which he had less than a third interest; indeed, he was not sure that he would consider less than a one-half ownership. This second request was a bitter pill to the Clark–Ward–Untermeyer crowd, who hated to surrender for such a low figure this tremendous parcel of a stock that was now selling fast at 40 per share. There was no gainsaying the soundness of Rogers' reasoning, however: “Who made it worth 40? Who but 'Standard Oil'? And what will happen if 'Standard Oil' declares that it will not take Utah into the consolidation?” The bare suggestion threw the Utah contingent into one of those hundred–in–the–shade, twenty–below–zero sweats, which resemble the moisture upon steam–pipes that pass through cold–storage boxes. They succumbed. At the moment the option was signed over to us it represented a profit of \$1,000,000 more, and when we sold it, it netted us \$1,250,000, for the market was still climbing. This latter phenomenon was not surprising, for it should be borne in mind that when our demand for the second 50,000 shares was made, the heavy Utah stockholders were called together and it was explained to them by their own managers—not by “Standard Oil” or by Mr. Rogers mind, for “Standard Oil” never makes false statements—that the expert's examination had developed such wealth that “Standard Oil,” the mighty of mighties, had insisted on having at least 100,000 shares; but that, of course, “Standard Oil” could not be asked to pay over twenty for stock which had cost its original owners but \$2 to \$4. What was there to do? The stockholders just gave up, and then once more climbed over one another in the market to get back their precious shares as best they could.

Just to keep the conditions of the transaction at this stage before my reader's mind, I'll repeat that the Clark–Ward–Untermeyer people had now given us the right to buy of them 100,000 shares of their stock (*at a price \$2,250,000 less than we had already sold it for*), with the understanding—not in words or in writing, of course, because “Standard Oil” never makes a promise in writing, but implied as sacredly as though it had been set down and attested under oath—that we would take and pay for their stock and engage with them in their enterprise, giving them the benefit of our experience, our capital, and our prestige. I say they had every reason to assume that we were acting in absolute good faith, and no ground to suppose that there was any ulterior motive behind our negotiations. It must be remembered that this occurred some years ago, before the “System's” perfidy was a calculated contingency.

The knife was now in, but the “System” had still to corkscrew it in the wound.

CHAPTER XIII. THE TRAP IN FINANCE

After “pulling off” such a big “trick,” as the professional crooks put it, and getting away with such a fat bundle of “swag,” you, my good reader, might naturally suppose that this shining light of the “System,” contented with his profits, would pass on to new victims; or, if you have a mistaken impression of Mr. Rogers' sense of humor, for really he has a keen sense of the ridiculous—after five o'clock on week-days and all day Sunday—you might think he would take the opportunity to order me to tack up his card on the Utah office door, inscribed, “We will return when you recoup,” and transfer his milking machine to other udders. No, that is where you, old-fashioned reader that you are, have “sized up” Mr. Rogers inaccurately. He had not finished.

Utah was not yet exhausted as a wealth-producer for the “System.” After a brief lull, representatives of Clark, Ward & Co. came to me requesting that they be allowed to see “Standard Oil's” report on their mine. It was most important for their financial arrangements that they be told what was in store for them. That was what they thought. I told Mr. Rogers. He instructed me to report to the Utah people that Mr. Rogers had looked wise and said nothing. The double-perfected “look-wise-and-say-nothing” is one of “Standard Oil's” pet business devices. Whoever tries to penetrate its secrets is always welcome to his inferences, but no one in “Standard Oil” is ever on record in case the inquisitive one guesses wrong.

“Lawson,” Rogers said, “just tell those people that our way of doing business is to send out reports when we decide it is time for them to be seen.”

In the meantime Utah kept booming. A week before the expiration of our option, the price being then forty-five, I heard from Mr. Rogers again. He gave me the most mysterious order of all: “Sell 50,000 more.” Up to that time I should have declared to any one that I was up in all the quirks and kinks of the stock game, but this move puzzled me. However, I sold, and at the very top. We had now “out” 150,000 shares of Utah, had sold that number “short,” in fact. Clark, Ward & Co. were bound to deliver us 100,000 shares when we called for them. These 100,000 shares had been contributed by the large stockholders to Clark, Ward & Co. at the price we had agreed to pay. Assuming that “Standard Oil” control of Utah would immensely enhance its value, the stockholders naturally desired to replace the holdings of stock they had contributed, and instructed Clark, Ward & Co. and other brokers to buy them back in the market. So Clark, Ward & Co. were carrying all one end and much of the other end of the deal, paying for the actual stock which our option called for as it came in, and carrying their customers for the new stock purchased for them at vastly higher prices. *But*, as we had not taken up our option and paid Clark, Ward & Co. for our stock, the money necessary to finance the whole transaction had to be borrowed from the banks. It is evident that, at this phase of the game, Clark, Ward & Co. must have been, as the phrase goes, “extended.”

While the operation had been in process, during the life of the option in fact, money at the “banks” became as “easy” as an old haircloth rocker for whoever desired to borrow on Utah Copper collateral. The fact was much commented on at the time by the “Street,” and Clark, Ward & Co. often gratefully remarked to their customers: “After all, 'Standard Oil' is good to its associates.”

The day before the option matured, Mr. Rogers briefly said to me: “Lawson, I've been thinking that Utah matter over and have made up my mind that it is not safe to go ahead unless we have the actual control of the company, 151,000 shares. Tell them so, and that we must have 51,000 shares in addition to our 100,000.”

At last his game was plain to me. I gasped as I took in all the features of the new plan. “They'll never stand for it,” I cried.

“They won't, eh?” he said. “You look it over more carefully and I think you will agree they *must* stand it even if I make it another 100,000. This is the situation: They are sure we are going to take and pay for 100,000 shares, and in anticipation have borrowed millions on call at the banks. For fear they may not see all the nice points of their position you can show them that if they refuse, the banks as well as every one else will know that we not only are not going into Utah as investors, but would not—in fact, could not—become connected with the management, because our thorough examination of the property shows that the mines are not as valuable as they affirmed. Now, when they grasp the fact that they have all the Utah stock they had, to

Frenzied Finance

start with, and 150,000 more which they have bought since, they must realize that in a slump the price of their shares will go lower than the \$2 or \$4 it started from. Have no fear. Clark, Ward, and Untermeyer will do just what we ask, and, in fact, if it were not for the stir a lot of failures would make and the bad effect these would have on our general plans, I'd refuse to take up that option anyway, for there would be more money in buying back in a smash what we have sold than in taking it from them at our own price," he went on.

The implication in my suggestion that he was going too far in the Utah deal stung him. He said:

"The fact is, Lawson, Americans who have accumulated great fortunes get no credit; on the contrary, they are unfairly treated. Instead of being honored for our splendid efforts as evinced by our wealth, the people howl as though they had not equal chances with us. Take this very case: we did not ask these people to give us options; we did not ask them to allow us to become associated with them. We have done nothing but take what they have thrown upon us, and yet if we refuse to exercise the option we did not ask for, and there comes a smash, we should never hear the last of how 'Standard Oil' robbed them. The more I see of the fool way Americans look at such things the less sympathy I have for their losses and what they entail. There was a period when I allowed myself to waste time on such ideas as you seem to entertain, but, thank goodness, I have outlived it."

The job cut for me was one I hated to perform. I could refuse, but what then? Some one else would carry out Rogers' mandate, and where should I and my great copper structure be? If I balked here, they would go no farther with me—and remember, we were just at the beginning of our association. Had I foreseen the misery and ruin with which the future was fraught, I should have stopped then and there; but the future was hidden, and I was expectantly revelling in a glorious and delightful period in which I and all who were following me into "Coppers" should be gloriously successful and rich. So I looked at the situation in a practical business way, and I said to myself that even if we did insist on having the 100,000 shares extra Rogers had mentioned instead of the 50,000 he had decided to demand, the Clark–Ward–Untermeyer combination would still have remaining more of value than their whole property could possibly have been worth without our association. Therefore I tumbled into their midst and dropped Mr. Rogers' bomb—and bomb it was.

At once they realized that they were looking into the cold steel muzzles of 45–calibre revolvers, for there was no concealing the money–or–your–life inference of the message. I had honestly tried to soften the blow as well as I could, but all they could see was 50,000 shares more at something like a million dollars less than its market value—or in twenty–four hours a panic and no market for their stock at any price. What could they do? With perspiration streaming in big beads down their foreheads, they declared that even if their people were willing to submit to the knife, it was impossible in the brief time available to get to them. At least would I not beg Mr. Rogers and Mr. Rockefeller to take up the 100,000 shares pending their negotiations for the balance? Would I not, because they had made all their financial arrangements for big payments of loans next day which they could not renew at such short notice—I must!—I must!

As I listened to the pleadings of these men there flashed into my mind a conviction of the malignant humor of my situation. Here was I, father of a plan in the successful execution of which I had figured myself out as a benefactor to all concerned, turning the torture screws of "Standard Oil's" new dollar rack—fashioned from my structure—and I was powerless to stop or rescue the screaming victim. "But why," ask my readers, "did you not denounce the men and renounce the work, instead of profiting by it, as you undoubtedly did?" You have never—you who ask that question—sat in at the great game of millions; you know nothing of the excitement of the dollar chase, of the terrible joy of hearing, "A million while you wait." I am not, in telling this story, setting myself up as an angel, nor posing as better than others. My experience of business has demonstrated to me long before this that rapacity rules in the modern dollar game, and that in wholesale dollar making many of the laws of men and more of the laws of God are inevitably violated. But he who cannot or will not play according to the rules of those who are making the game is disqualified. He should go elsewhere. Hitherto in my life I had followed the code of a smaller game, in which we seldom pressed an advantage to the limit or cut our pound of flesh from out a vital part. Now I had voluntarily associated myself with other men in a venture I believed was big, fair, and square, and I was learning that the rule of their game was thumbs down—give nothing—take everything. I might have retired, but I was already deep in, with resources pledged to the limit; and what would my reluctance to press our advantage with Clark, Ward & Co. be considered but fool sentimentality? If I insisted on my view, what would happen? The people who had

Frenzied Finance

followed me so far—and their number was thousands and their quality, measured by any heart and soul standard, more human than any of those whom Rogers was thumb-screwing—as well as I myself, would be surely ruined. If I went on, at least I could care for those I had brought along with me. I looked at the complication fairly and squarely, weighed my duty with such powers of judgment as I possessed, and decided, wisely or unwisely, that it was best to go on. Wisely or unwisely I made up my mind to accept the responsibility of acting as fireman to the engine—and to bide my time. That time, thank God, is here now.

I reported to Mr. Rogers. His fox-trap jaws, with their bone-and heart-and soul-crushing teeth, came together with a snap, and when they relaxed his lips parted into one of his marrow-chilling smiles.

“I thought so,” said he. “Those able gentlemen are loaded, Lawson, loaded, and without a by-your-leave have made up their minds that Mr. Rockefeller and myself are only in business to draw their load to some convenient safe-deposit vault, from which they can from time to time take it out to pay for palaces, yachts, fast horses, and society crowns. Lawson, don't tell me of their plight. Don't waste my time with their pleadings.” The tiger was awake, his cage rattled; it was raw-meat time. I watched. Presently he snapped: “What do you suppose they would answer were they in our position? This: 'Give us the additional 50,000 shares we have demanded quick, or take the consequences.' They are able business men, so what they would do is just good enough for us to do. Take back this answer: 'You have the only proposition we will make; decide at once!’”

I looked at him. I said not a word—I could not. Perhaps my thoughts were miles and ages away to scenes where Cæsars, Napoleons, and Bismarcks stood gazing over fields strewn with corpses oozing blood. I remembered “to the victor belong the spoils”; but there also wandered into my mind the memory of a good mother's knee on a Sunday afternoon, and of a voice which repeated, “For what is a man profited if he shall gain the whole world and lose his own soul?”

As I left him Mr. Rogers said:

“You had better sell 10,000 shares more of Utah. Sell them quick and sharp, and perhaps they will read our answer on the tape before you get to them.”

I sold the 10,000 shares. The price dropped two to three points, and, sure enough, by the time I got to Clark, Ward & Co.'s office I found them poring dazedly over the ticker tape. They knew my answer before I stated it, and were trembling with nervous apprehension. I wondered if they, too, saw the tiger, his bloody chops and claws and his piece of raw meat. I said what Mr. Rogers had told me to say in so many words, and then I talked frankly to them about their situation, and advised that they meet “Standard Oil's” demands. I called their attention to the tape: “They told me to throw over only 10,000 shares,” I concluded.

“Great heavens!” said Armstrong, the negotiating partner of Clark, Ward & Co., “they are likely to follow it up with 90,000 more. They have it; at least they can demand it of us, and if they do we are ruined. What can we do, Lawson? What *can* we do?”

I pointed out that their only possible course was to lay the situation before the large shareholders involved, stating the absolute necessity of coming to “Standard Oil's” time, and to make their medicine a little more palatable I added: “Once you come to time I can induce my people, I believe, to make a public announcement that they will take the open management and control of the Utah Company, and you know that will surely make the stock jump—enough, perhaps, to offset what you people lose on the extra 50,000 shares you yield up.”

I advised them to the best of my ability as to their only way out. If I had revealed to them that we had sold every share of the stock they were to turn over to us, it would have served no good purpose, for it would have made business impossible between us, and a crash would have occurred which would have ruined Utah, inflicted destruction on their price structure, and only enriched “Standard Oil.” When I concluded, they started in to do as I had suggested, and the way they burnt up time and annihilated space was marvellous to behold. Though the thing was almost a miracle, they met the condition within the time limit, and we had turned over to us 150,000 shares of stock.

The moment Mr. Rogers saw the deal was a “go” all his hardness melted as the snow upon the mountainsides under the April sun. Nothing could be softer, kinder, and fairer. The blood had disappeared; the tiger was a great, purring house-cat, intent only on catching naughty rats and mice for the good of the household. Why, he would do anything to help out these good gentlemen; certainly, the world should know of

Frenzied Finance

his great interest in the Utah properties, and as the millions of golden dollars clinked into his golden bucket the next day, the world did learn of the great value of Utah, for his private counsel was made president, and certain other gentlemen who bear the uncounterfeitable "Standard Oil" tag were appointed as directors. There was a general jubilation—I had almost said, a killing of the fatted calf; but that part of the ceremony had been most ably attended to by Mr. Rogers in the preliminary stages of the entertainment.

NOTE.—When this startling and cold-blooded-trick part of my story was published in *Everybody's Magazine*, it astounded the world, and my enemies took advantage of the fierce anger which was aroused to call attention to my part, which they attempted to show was as bad as that of Rogers. Right here I wish to go on record: If I had been a human angel instead of a stock-broker, actuated solely by a desire to do just right, to do that which would work least harm to the greatest number of innocents, and least good to the largest number of tricksters, I should have done as I did.

AUTHOR.

CHAPTER XIV. LAWYER UNTERMYER DISCOVERS THE “NIGGER”

I have dwelt on this Utah episode because it shows phases of the “System's” methods never heretofore made public, just as episodes which are to follow in the narrative will develop other startling and ingenious deviltries. But, before going on, the sequel to the Utah affair deserves a place in the story. A sequel there was, and my readers will agree, I think, that it has a mordant humor quite its own. To-day, after the years that have gone by, I cannot think of this tremendous bunco game, in spite of its cruel and tragic phases, without a laugh at the manner in which the smart gentlemen who composed the Utah Consolidated crowd were “outwitted.” Bear in mind that Clark, Ward & Co. were among the “flyest” operators in Wall Street's juggle factories. They asked no odds of any one in shuffling and dealing their cards, and with them was the eminent Samuel Untermyer, surely the head of his class of corporation counsellors, and himself a master in the fine arts of copper financiering. On the conclusion of the deal, these gentlemen and their partners in Utah assumed all the airs and graces they conceived proper for associates of “Standard Oil,” and at once enlarged their hatbands and let out their waistcoats. Some of them, I believe, went so far as to be measured for copper crowns. The stories they set afloat about the richness of Utah, as proved by “Standard Oil's” determination to have its 150,000 shares, would have made the constructor of Aladdin's palace look to his laurels as a treasure-house creator, and the stockholders of the corporation felt so good over their prospects that in London and New York two large banquets were simultaneously given at which the prospective millionaires tossed cable congratulations at one another across the Atlantic and toasted in vintage champagnes the brilliant promoters who had worked such wonders. At these entertainments there was no question but that Utah was destined to be the foundation company in the coming great copper consolidation.

With this roseate view Mr. Rogers did not entirely coincide. His diagnosis of the situation had all that whichever-way-the-cat-jumps frankness I had learned to look upon as characteristic of the man. He said to me:

“Lawson, this is the situation: We are in absolute control of the Utah property. If it were good we could do great things with it, but it's bad, very bad; there is nothing out there but a bunch of ore which is rich enough, but which cannot possibly last longer than six years, and then—then there is nothing but a hole in the ground. Of course there is a possibility of our finding other bunches, but with all the machinery in our hands it looks to me as though we could play a very safe game. If we find things that will make the stock valuable, we can keep the good news buried until we shake the price down and get whatever we want. If it is all bad, we can sell the stock and buy it in at big profits. I think, on the whole, it is safe to call this deal completed and mark it a success.”

With this understanding we left it, and for some little time I paid no attention whatever to Utah. One day I was surprised to notice on the tape that the price of the stock was declining. I was puzzling over what could have happened, when I received a sudden call from the Machiavelli of the New York Bar, Samuel Untermyer. The set glare of his eyes, the fervor of his hand-shake, told me that I had a volcano to deal with.

“Lawson,” said he, “something came up the other day that led me to investigate, and do you know, I have got to a point already where I can put my fingers on people, outside of any one connected with 'Standard Oil,' who own over 200,000 shares of Utah. If this is so, how can Rogers and his crowd own the 150,000 shares they took away from us at millions below the market? It seems impossible, but it looks as though we had been buncoed—buncoed as no one outside a crazy-house was ever buncoed before.”

That steely imperturbability which is alternately the pride and pleasure of Mr. Untermyer's friends, the glittering surface of which it is said no cloud has ever shadowed or no gale disturbed, was fast losing its distinction under the influence of the excitement that welled up in the heaving bosom of the eminent cross-examiner; and excitement and he were so remote, so studiously antagonistic, that I looked on and listened in wonder for the outcome. An interesting situation was evidently fast developing, and to grasp its possibilities one should know the attitude of Mr. Rogers toward Mr. Untermyer. For this astute lawyer the “Standard Oil” magnate has something akin to terrified admiration. Mr. Rogers has said many times to me and to others among his associates that there is but one lawyer in the United States whose cross-examination on

Frenzied Finance

the witness–stand could afford him anything but amusement and recreation; and this extraordinary exception is Samuel Untermyer. The bare thought of being subjected under oath to the remorseless questioning of this astute dissector and analyst of motives and actions brings him to the verge of rippling chills. And here was this legal Nemesis on the war–path and headed directly for 26 Broadway.

“What does it mean, Lawson?” His voice was in a court–and–jury key.

The opportunity was too good to miss. I could not help it. I said, “Untermyer, you have another guess coming.”

“Do you refuse to tell me anything about it?” he snapped.

“Tell you about it?” said I. “What could I possibly tell you about your own scheme? You flatter me; you are getting excited. Let me ask you a question, What do you say it means?”

“I say it means,” he fairly yelled, “that we have been buncoed—swindled!”

“If that is a fact,” I said, “you are the best man on earth to tackle such a proposition. Introducing swindlers to justice is your specialty.”

“Lawson,” said he, “let's talk it out. I don't see wherein you are in any way to blame, but I tell you if I find true what I now suspect, there will be music in the copper world that will set copper investors by the ears.”

I saw there was no use trying to dodge the issue, and we entered into executive session. He had gathered most of the facts, he told me, and to ascertain the balance, proposed at once to call a meeting of Utah Consolidated stockholders. Also he had men out examining the transfer agencies to find who got the shares of Utah delivered to Rogers.

I said to him, “What do you think has happened, Untermyer?”

“I think you people have sold the bulk of that stock,” he said.

“Suppose we have,” I said; “there is no crime in that, is there?”

“No crime,” said he, “but it is a piece of dirty double–dealing.”

“All right, suppose I admit it,” said I, “what of it?”

“Well, did you do it? Did you sell that stock after we delivered it to you?”

“Not a share,” said I.

“Do you give me your word for it?”

“I give you my word, we didn't sell a share of that stock after you delivered it to us.”

“When did you sell it?” said he.

“Every share before we secured it of you.”

At this the distinguished impassivity faded finally away and Samuel Untermyer was actually and absolutely flabbergasted. The sight of him dumfounded, confused, was too much for me. I laughed. It is seldom one gets the laugh on Mr. Untermyer.

“Do you mean to tell me you were short the whole bunch?”

“Short every share of it, and 10,000 besides,” said I.

“And where do you stand now?” he pursued.

“Still short of it, and before you can get fairly to work kicking up a rumpus I should not be surprised if we were short the whole capital stock. Rogers, as you know, does play a great game, that is, when he has all the cards, owns the table, the room it's in, and has control of the doorkeeper.”

There was an interval of tense silence. Untermyer was making a noble effort to swallow his fury. I began to figure the degree of my responsibility if he should burst a blood–vessel or have an apoplectic stroke. Finally he said:

“Lawson, if I don't blow this thing to pieces and shake 26 Broadway to its foundations, I'm not Sam Untermyer.”

The time had come to reason with the heated legal gentleman, and in plain language I proceeded to show him where he stood, the position of the property, the public's relation to it, and his own duty to the clients whose money he had invested in it. Under the logic of my argument he cooled. He saw the net, and that he and his friends were absolutely enmeshed. He even admitted that he and his friends had unknowingly aided in what had occurred and were mostly to blame for their present position; but while he acknowledged all this, he reiterated over and over again that in all his experience—and in Samuel Untermyer's professional position he has either prosecuted, defended, or had an inquisitorial finger in every sword–swallowing, dissolving–view,

Frenzied Finance

frenzied finance game that has been born or naturalized in Wall Street within the decade—he had never met the equal in high-handed bunco of this deal in Utah.

Finally he said: “There's one thing I can do, if I cannot get even with Rogers; and that is, I can 'fire' the present management of this company, and I'm going to do it now, this very minute, and incidentally I'm going to state what I think of them and the whole dirty business.”

I called up “Standard Oil” on the telephone and told what had happened. Mr. Rogers said: “Cool him down at any cost, but particularly try to show him I had little to do with the deal; that it was largely the outgrowth of what the Clark–Ward people thrust upon us, and that I left the details to you and the lawyers.”

Again I had visions of what would be the cost of making “Coppers” a success.

Within an hour Untermyer was back visibly relieved and glowing after his encounter. He had the resignations in his pocket, and he began joyously to detail the specific opprobriums he had cast upon the management. “I shall put in an entirely new management,” he proclaimed triumphantly.

“You have positively made up your mind to that?” said I.

“You bet I have,” he answered.

“Excuse me for a few minutes, then,” I said; “I want to give my brokers orders to rip out 50,000 or 60,000 shares of Utah. Rogers and Rockefeller would take me to task if I wasted a minute.”

“Hold on there, Lawson,” he said.

“Not a minute,” said I; “you know the game well enough, Untermyer, to realize that there are a few millions hanging very low on the boughs at just this second. I want to get my hat under them before you and your friends have an opportunity to roll in your own hogsheads.”

It was no time for diplomacy, and I set forth in plain, dog-eat-dog terms to Mr. Untermyer exactly where he was “at,” and that no one but himself and his associates would be the sufferers by a public explosion. Reluctantly he agreed with me that under no conditions must the “Standard Oil” management be changed, but he was bound to have one victim to show.

“You have the resignations of the present board—why not put in new men, the strongest 'Standard Oil' men you know?” I suggested.

“I'll do it,” he said, “but I'll throw out the present president, blame him for all that's happened, but—whom shall I put in to replace him? How about Rogers himself?”

Knowing Mr. Rogers' cross-purposes I was sure he would never become officially responsible for the company; so I told Untermyer this was impossible, but I continued: “The next best man and the closest I know to Rogers is Broughton, his son-in-law. There's your president.”

Whereupon Broughton was elected president of the Utah company. The stock has since dropped from 52 to 22, gone from 22 to 37-1/2, dropped to 18-1/2, with frequent repetitions, and is now 43: and all the drops have been preceded by tremendous short selling, followed by stories of the absolute worthlessness of the property; and all the rises, by tremendous buying and stories of the mine's fabulous richness. Some one has made millions.

“Standard Oil” is ever ready to forgive and forget those it has injured, but it has power and place for those who have made it tremble. Its associates to-day are often yesterday's enemies. As one looks back upon the Utah episode from over the divide, it helps accentuate its humor to contrast the present attitudes of the parties engaged with those they then held to one another. We now see the virtuously indignant Samuel Untermyer shoulder to shoulder with his wicked betrayer, Henry H. Rogers, whose counsel he is against the original ally of the same Henry H. Rogers, Thomas W. Lawson, historian of “Frenzied Finance.” And the talented expert, most trusted of “Standard Oil” mining emissaries—Broughton, whose unfavorable report on Utah Consolidated was the instrument of the plundering of the Clark–Ward–Untermyer contingent—elected president by Samuel Untermyer, has remained ever since at the head of the property he had pronounced worthless.

CHAPTER XV. DEGREES IN CRIME

Every profession has its social grades. Even crime is not without an aristocracy. There are as many classes of crooks as there are things to steal, and the more dangerous the theft, the more distinguished is the criminal in the eyes of his professional brethren. In the thieving fraternity the burglar and the highwayman figure as important persons, for do they not take their lives in their hands every time they “pull off” a trick? He who signs another man's name to a check requires fine dexterity to be successful and endangers his liberty for a long term, so the forger is of high consequence. Pickpockets and sneak-thieves stake freedom on the agility of their fingers and legs, and are the small fry of the fraternity, yet figure as legitimate practitioners. But the confidence man, he who goes forth among rural communities disguised as a clergyman or doctor, and wheedles money out of some unsuspecting fellow-creature by means of the trust he has inspired, ranks low in the estimation of his plucky brethren of the jimmy and the black-jack. Force they respect; stealth they despise. The burglar is frankly a burglar; the confidence man conceals his plundering purpose under the aspect of respectability. He is doubly a knave in that he pretends to be honest.

The Utah trick performed by the “System,” as described in my last chapter, was essentially a confidence operation. The men who executed it had the reputation and appearance of honesty, and their victims were hypnotized into security by accepting standing in the community, great business prestige, and enormous wealth as guarantees of individual probity. The only capital employed in capturing three millions of “made dollars” and the control of a great corporation was respectability. I contend, then, that the magnitude and success of the deal do not make it less despicable.

Some of my readers will doubtless ask me why I so insistently repeat the details of the “System's” criminality, which for all purposes of argument have already been sufficiently established. My answer is that repetition alone will impress people with the real character of the class of individuals with whom I deal. The mass of Americans look upon these men as great leaders, and regard their millions as monuments to their commercial genius. I am showing that this commercial genius is no better than a high talent, for financial jugglery, and that its successes are achieved by a calculated disregard of the laws of the game. The “System's” fortunes have been won by means of marked cards and clogged dice, crooked wheels and bribed umpires—in other words, by the corruption of legislatures, the undermining of competitors, the evasion of railway rates, the wrongful manipulation of stocks, the perversion of justice, by intrigue, graft, and four play. Once the people realize this, the “System” is doomed; and it is my purpose to demonstrate so clearly and forcibly the crimes of the past that the nation may be aroused not only to prevent their repetition, but to crush their rascally perpetrators as they would so many reptiles. I shall so familiarize the people with the rights to which they are properly entitled and with the outrages committed in violation of them under the guise of legitimate commerce, that they will know them as they do the common facts of their daily lives. Let any “System” attempt to interfere between a man and his Bible, his meat and bread, and his proper allowance of sleep, and there would occur an explosion fierce enough to wipe the conspirators and their plots off the face of the earth; yet it is absolutely the fact that in the past our people have suffered unwittingly much fiercer wrongs than these would be, and far more vital invasions of their rights.

CHAPTER XVI. MR. ROGERS UNMASKS

There was in Montana a great copper property known as the Daly–Haggin–Tevis group, the centre of which was the huge Anaconda mine with its 1,200,000 shares. This is the mine that Marcus Daly induced the late George Hearst to buy and develop for the marvellously successful syndicate of California mining operators, composed of J. B. Haggin, noted now the world over for his horses; Lloyd Tevis, an extraordinarily shrewd San Francisco financier; and Senator George Hearst, himself perhaps the greatest mining expert America has ever known. After Senator Hearst's death his estate sold its holdings to European investors, who with the other three owned the company at the time of which I am writing. I had never in my copper–consolidation plans contemplated including this property, for the reason that the public I was operating among was not familiar with it. I did not care to put in jeopardy the success of our venture by admitting any but mines of such well–known and unquestionable value that there could arise no possible doubt as to the security of the investment. I was well along in my task of gathering in, through public–market manipulation and private negotiation, the shares of the several good Boston companies whose merits I myself knew about and had so carefully gone over with Mr. Rogers and Mr. Rockefeller, when one day Mr. Rogers called me up on the telephone and requested that I come to New York to see him. “I have,” he said, “a very important matter to go over with you.” I took the train and early next morning was at 26 Broadway. As soon as we started in I was struck by a certain strangeness in his manner—an unusual impressiveness that indicated to me at once that something was in the wind.

This proved to be the case. I was soon in possession of the information that he and Mr. Rockefeller had been putting in a lot of work on the copper business; that they had evolved some further schemes, and that now the plans were so far along that I could not upset them, therefore they proposed to let me in—all this in the pleasantest manner.

In answer to my quick inquiry as to what plans I had ever upset he waved a chilling hand toward me. “Don't start in looking for trouble,” he said. “There are certain things which cannot be done by a man who works as you do. From the very beginning you have insisted upon taking the public into your confidence, with the result that they get large profits which otherwise would come to us. If you did your business as we do ours—acted first and talked after, or, better still, did not talk at all—there would be no difference of opinion between us. Still, we recognize that each man must do business in his own way, and we have let you go ahead where it was possible.” After a short pause he continued:

“While you were getting the Boston companies in shape I unearthed another situation which almost seemed as though it were made to order for us. What do you know of the Anaconda Company?”

The way he asked this question in one of his cross–bred, cat–purring–and–fox–bark tones which I had seen him work on others, and which I had observed always denoted a perfect knowledge of your answer to his question before you had it, did not help my guessing any.

I told him I knew nothing more than that there was such a company with stock dealt in on the English and our markets.

“Nothing more than that?” And he looked at me quizzically. “Have you been watching the stock's actions in the market?”

In a second it flashed over me that Anaconda had been quite active of late, that is, had been largely traded in without attracting much attention, although the price had been steadily advancing.

“I thought you boasted you could read the tape, Lawson?” he went on, “and that nothing could be happening in a field you were interested in without your smelling it out? When I tell you Mr. Rockefeller and myself have bought control of the biggest copper property in the world, measured either by the number of shares and their selling price or by production, without your even suspecting it, much less the public's jumping in and running up the price on us, you can see there is something in our quiet way of doing things compared with your public way.”

“All right, Mr. Rogers; I have never contended that there were as many dollars in my way of doing things as in yours—as many dollars for *us*.”

Frenzied Finance

“Lawson,” said he, “the public are about ready to invest in the first section of our new consolidated company, are they not?”

“Sitting up nights to see that they get a place in line the minute we scatter our first handbills,” I answered.

“Well, are we ready to put our things together? Have we got the necessary companies to meet the ideas you have been educating the public into?”

“We have things in such shape that we can whip a \$75,000,000 or a \$100,000,000 company up for public subscription in a very few days, if you give the word.”

Mr. Rogers leaned toward me and said in his most decisive and imperious tones:

“Very well; I have plans all shaped up which will allow us to offer the first section, but not made up as we first arranged. Mr. Rockefeller and myself have decided to put entirely new companies in the first section, and to reserve the Butte and the Montana and other companies you have been working on for the second section.”

The blow had fallen. My head swam. Visions of Clark, Ward, Untermyer, Utah, and others I had seen on the rack writhed fearfully across the stage of memory. Here I was loaded with Butte, Montana, and other stocks which I had felt as certain were to go into the first section as one can feel in regard to a thing which seems in one's own control. On my public and private assurances as the accredited agent of Mr. Rogers and William Rockefeller and “Standard Oil,” my friends and following had large amounts of money in the same securities. The market was booming on what I had proclaimed was to happen, and here an absolutely new condition was being imposed, a condition which gave all my assertions the lie, which discredited me, and would, I felt sure, precipitate a terrible disaster. Inevitably the copper public would be dazed, would be shaken; a reaction would follow which would bring on a panic and a destruction of values impossible to measure. In it all, I should be left alone to bear the brunt of the storm of ruin, wrath, and denunciation as the result of what must seem base trickery to those who had accepted my representations. I tried to pull myself together, for I felt Mr. Rogers' keen eyes burning into the back of my head, appraising the effect of his words and measuring the degree of my numb terror. He saw, in spite of all my efforts to appear calm, that I knew I had been given a knock-out blow.

As in a dream I inquired what companies it had been decided should go into the first section.

“Anaconda, Washoe, Colorado, and all the big timber lands, coal-mines, banks, stores, and other Montana properties that go to make up the Daly-Haggin-Tevis properties,” he replied crisply.

I found my numb inertia melting in a fierce anger. I jumped up. I raised my voice:

“Mr. Rogers, do you mean to tell me that Mr. Rockefeller and yourself have deliberately decided to take advantage of the situation I have made—the situation I have not only made but put myself into—to try to sell to the investors of this country other property than that I have promised them they were to have? You cannot mean that—you surely cannot, for you and all your 'Standard Oil,' even though you were many times bigger than you are, would never have dared to tell it to me face to face.”

I was boiling over—becoming literally frenzied at the picture unrolling before me.

Now it was Mr. Rogers' turn to be aroused. His voice quivered with intensity and his fist came down on his desk with a force that shook the inkstand. It flashed into my brain that this anger was assumed to cow me, and I tried to look through his eyes on to his mind tablets back of them, and read what was there recorded. The gaze that met mine was polished steel ice coated, off which my glances slipped and slid. I dropped into my chair.

“In the name of all that's sensible, Lawson, hear me out and quit acting like a child.” He stopped a second and then went on impressively. “In looking over the copper field I discovered a number of things you failed to see. First, that Haggin and Tevis, who own Anaconda with Marcus Daly, have grown so wealthy that they have left the management of their Montana copper and silver properties entirely to Daly, and he has been coddling the mines along, saying nothing about their real worth and quietly passing by the richest parts, awaiting the day when he could buy his partners out. Shortly after you let it be known that we were to go into 'Coppers,' Daly came to me to talk things over, and it took me only a short time to get under his waistcoat and find just what he had out there, and it took me still less time to decide that he offered something a little better than anything we had yet turned up. These properties, which we can secure for \$24,000,000, which will carry with them the majority of the 1,200,000 shares of Anaconda, alone are worth \$75,000,000, and with the addition of the Colorado, Washoe, and Parrott, which he recommends that we buy and which he is in a way to

Frenzied Finance

secure for us at a bargain, will cost not over \$15,000,000. So it came right down to this: We could trade with Daly immediately, while if we waited until the first section was out to the public the inevitable appreciation of Anaconda stock in the market would alone make it impossible; for even if Daly was willing to go in with us, Haggin and Tevis would not let him at anything like the prices he now names. It seemed best to take action at once, so we closed with him; and we have also just closed with the Washoe and Colorado, and we want you to secure the Parrott. Under these circumstances, could we do otherwise than we have done?"

His argument seemed conclusive. It looked so fair and unanswerable that I could not disguise from him that my fears had fled. I was immensely relieved. My fight oozed; I became as pliable as any of the brittle clay which he daily kneaded for each shaping with his applications of oil.

"What are your plans, Mr. Rogers?" I asked quietly.

"This is what we thought would be the thing to do if you agreed, Lawson, for, of course, you are, after all, the one who must decide. First, you shall go over everything we have done, and if you feel sure we have property worth at least, at the hardest kind of hard-pan prices, \$75,000,000, we want to whoop up the country to the very top notch of expectation, and while doing so begin to hint that there are to be three or four sections, and that the first one will embrace Anaconda, Colorado, Washoe, Parrott, and lots of other unnamed things. Then our idea was to offer the \$75,000,000 by public subscription, and by using every dollar we receive for it to support it in the market, to make it sell afterward under all conditions at a big premium over cost, so that every one would make big profits, and so, consequently, by the time the second section came along, the demand for subscriptions would be unprecedented. We could continue this until all the good 'Coppers' were in our company, and then our consolidation would be a prodigious success, just as you outlined at the start. There cannot possibly be any loss to any one; in fact, success is so assured that William Rockefeller, Daly, Stillman, and all the others who will be associated with us, do not propose to sell a share of their stock, but, on the contrary, will go along with us to the finish. So good does it look to us that I feel it will really beat out Standard Oil itself as a money-maker, and you must remember that whatever else they may say about Standard Oil, no one who has ever owned a share has lost money; on the contrary, every one has made large profits."

CHAPTER XVII. "EXTRACT EVERY DOLLAR"

"Standard Oil's" arguments always are absolutely flawless, and this was one of their best. I was fast becoming imbued with the wisdom of the plan which Mr. Rogers was revealing so adroitly, and began secretly to wonder if after all I was not a novice in such business.

Unerringly Mr. Rogers followed my thoughts. He piled Pelions of better things on Ossas of good ones. Surely it was after watching some parallel hoodwinking put through by a remote ancestor of "Standard Oil" that Puck enunciated his famous dictum, "What fools these mortals be." I fell in like the veriest tyro—hypnotized and happy.

"How much of this first section do you figure, Mr. Rogers, that we are to give to the public?" I inquired.

"We, Mr. Rockefeller and myself, have carefully considered this phase of it, and as we all want to retain as much as possible of the stock, we would not sell over \$5,000,000 to the public."

"But can you do this?" I asked. "If the public know 'Standard Oil' is retaining nearly all the stock they will sour on it."

"Leave that to us," he said, knowingly. "We can iron this out so easily you need not give it another thought, for no one can have any possible rights in the matter until he has been allotted stock, and as all those who come in are to have big profits from the start, they will raise no objection to anything we do."

"All right, if you think it's wise. You know," I responded; "but who will be in this besides ourselves?"

"Every one of us—Stillman, Daly, Olcott, Flower, Morgan, all who can be of use to us will have to be let in on some of the ground floors. The foundation profits, as we agreed under the old plan, will be twenty-five per cent. to you, seventy-five per cent. to us. After that we will jointly take care of those we let in. Is that all right?"

When Henry H. Rogers sets out to batter down an antagonist he is as fierce as an eagle foraging for her young; victorious, he is as amiable and generous as a salesman who has unloaded on a customer a big cargo of damaged goods. Anything the victim wants he can have by simply naming it.

Fascinated by his mastery of the subject and the obvious completeness of his plans, I could only continue to assent. He went on:

"There's another section of the subject we must get at now, Lawson, and decide on once and for all. You seem to have made no provisions for the most important end of the whole business, the selling end. What is your idea as to how we shall control the selling end?"

"I had given that little thought, Mr. Rogers," I replied. "I believe that easily takes care of itself. The demand is always greater than the supply. We shall have the metal to sell, the world will be more anxious to buy than we to sell: what more can be necessary?"

"Lawson," said the master brain of the greatest and most successful commercial enterprise in the world, "you know the stock-market, but you don't know the first principle of working to advantage a great business in which you absolutely control the production. The novice assumes that consumption when it is greater than production makes the price, but this is one of the many time-worn sophistries of business. Do you suppose Standard Oil has built itself up to where it is and made the money it has simply because there were always more lamps than we had oil? If you do, you are in dense ignorance of the foundation requisite for great success. As the world goes to-day, the prices of necessities and luxuries are fixed and should be fixed by the man who controls both the selling and the producing end, for there is a greater profit to be had by supply to regulated demand and demand to regulated supply than from a charge made and regulated by supply and demand. Standard Oil gets to-day and has always since its birth got its enormous profit from its 'regulation' department. Production yields it a proper profit and by supplying legitimate demands it earns other fair profits, but its big gains come from so adjusting one to the other that there can be no such thing as competition. Do you see?"

"I agree that is not my end, Mr. Rogers, though in a general way I know about railroad rebates, steamship comebacks, and such things; but I don't see how they are required in our copper business, where the demand is of such proportions that the producer sets the price and makes a profit away above what may be gained in

Frenzied Finance

other business enterprises. Surely no one would ask larger gains than are naturally made out of copper.”

“Lawson,” responded Mr. Rogers with oracular emphasis, “that is where your business education is flawed. No man has done his business properly who has missed a single dollar he could have secured in the doing of it. I do not think a fair judge would find me guilty of avarice, either in business or in the manner of my living, and yet I am made fairly miserable if I discover that, in any business I do, I have not extracted every dollar possible. It is one of the first principles Mr. Rockefeller taught me; it is one he has inculcated in every ‘Standard Oil’ man, until to-day it is a religion with us all.”

There you have it—the fundamental precept of the gospel of greed. “What must ye do to be rich? Extract every dollar.” How the formula explains “Standard Oil,” and how completely it reveals the Rockefeller attitude of mind! Greed crystallized into a practice, dignified into a principle, consecrated into a religion and become a fanaticism. But, mind you, not the dross, but the rule; not profit, but precedent. Money no object, but our laws must be kept. Shylock’s god is “Standard Oil’s.” The ravenous lust for gold that possesses these men is not an appetite, but a fever. In them it is the craving of the tiger for blood. Gorged and glutted with riches, their millions piled into the hundreds, masters of the revenues of empires, still they are as the daughters of the horse-leech.

Once in Ogreland there was a giant, larger and fiercer than any of his fellows, and it was the habit of this monster to compel the inhabitants of the territory which he ruled to render him every evening a tribute of human hearts. At sundown he would come out of his castle and seat himself in a great chair in front of the huge iron gate, and his vassals would lay at his feet the dripping sacks of hearts for which they had scoured the land. “How many have you brought me to-day, my merry men?” he would say as he weighed the sacks in his mighty fingers. “Are they large and juicy?” How they came or whence, he cared not at all; the screams of the unfortunates whose hearts were torn from their breasts he neither heard nor thought of; hearts he must have, and if people were killed, so much the worse for them. But the ogre *ate* all the human hearts his vassals gathered for him; he lived on them and grew greater and lustier, for they were the food his great frame required for its sustenance, and he never had all he really wanted.

“Standard Oil” in our life to-day plays the rôle of this mythological giant, forcing its tribute of dollars from the people, indifferent to the blood and tears in which they are soaked, oblivious of the cries of the victims from whom they have been dragged; but, unlike the giant, “*Standard Oil*” *does not need this tribute to sustain its life, nor to make richer its blood.*

But to return to Mr. Rogers, who triumphantly proceeded with his plot:

“Let me show you, Lawson, how you have overlooked the best part of the copper business. We have found that for years Lewisohn Brothers have had a double-clamped and riveted contract with at least half the best producing mines in the country to sell their output, and they have grown very wealthy. As near as we can make it, they have made at least fifty millions in one way or another in the last ten or twelve years. First, they have had a big profit as their commission for selling; next, big interest out of the advances they make to companies while their output is being sold; now, they actually control the copper market of the world. Think of it, Lawson, for a few seconds, and the possibilities will loom up to you. You can buy or sell any number of millions of pounds in futures or actual deliveries. Suppose a man controlling the selling of three or four hundred million pounds a year should knock the price to, say, ten cents, sell to himself the year’s output of all the mines he controls and then lift the price to, say, twenty cents. He would have a sure profit, with absolutely no risk, of thirty to forty millions of dollars. If he should sell the next year’s output short at twenty and drop the price back to ten, he would have another thirty or forty millions. Wouldn’t he? Then if, before he broke the price, he sold copper mining stocks short, and if, before advancing the price, he covered and loaded up with them, he could easily make an additional thirty or forty millions. Think it over, and you will agree with me that the possibilities are far beyond those of oil, and perhaps at the same time you can account for the violent fluctuations in copper stocks and the price of the metal during recent years. A man in such position could absolutely *dictate* to all new mines whose selling agency he could secure under long-term contracts. When their stocks were up, he could pinch them to the edge of bankruptcy by refusing to sell their metal or advance them the cash they needed for operation. Now, don’t you agree with me that you overlooked one of the most important branches of the copper business when you made no provision for taking in the selling end?”

Again it crept into my mind that in comparison with the diabolic astuteness of this man, such knowledge

Frenzied Finance

and experience of business as I had gathered were as those of the primary student to the post-graduate scholar's. Again, there was no quarreling with his logic or his conclusions.

"It is common knowledge in Boston," I replied, "that copper commissions on the surface and below constitute as soft graft as any one would ask for, but no one suspected the possibilities you outline. Do you actually mean to say that that is the way the business has been conducted in the past?"

Mr. Rogers lowered his voice confidentially:

"I can only tell you, Lawson, that we have dug up some queer doings during our investigation, and I think I can put my finger on a great many millions of dollars now in the hands of certain mine officers which could be recovered by the different companies they have been acting as trustees of. It would be quite an eye-opener to some of your pious Bostonians to know that the controlling officials of several mines are silent partners in some of the big selling agencies."

There was a pregnant interval of silence. Perhaps the expression of my face suggested the thronging thoughts which seethed through my head as I said:

"But surely, Mr. Rogers, that's off our beat. We shall make money enough along our lines without getting into that kind of a game."

Mr. Rogers swung his chair half round and looked straight at me. For a long second he stared—sitting half upright, his long, fine hands clasping the arms of the chair with a clutch like steel. He said not a word. Then he replied:

"Of course, Lawson, we have no need for such methods in our affairs. But it is a duty we owe investors and ourselves not to conduct this business in a way that will encourage others to continue doing it along the old lines."

He frowned at me as much as to say (only he never uses such expressions), "Oh, but you do make me tired," as he always did when I, with a serious face, would ask him, as I often did: "How is it, Mr. Rogers, that young John D. can make such a success of his Sunday-School-Class Trust, and at the same time of his father's oil and investment business?" In business hours Mr. Rogers taboos frivolity.

The neophyte in crime, being initiated into the mysteries of the profession by some able Fagin, gets his instruction by degrees. Great care is taken that he shall not realize too soon the depravity he is to practise, lest, appalled by the hideousness of it, he might jump the track, and along with each advance in knowledge goes a picture representing the ease of the life and the lordly rewards and pleasant adventures of the "industry." From the remote perspective of to-day very similar seems to have been the process in this most momentous conversation between Mr. Rogers and myself. The apprentice at the knees of the master was being gently and gradually admitted into the secrets of the calling—financial highwaymanry. At the moment, however, it never entered my thoughts to imagine myself other than a favorite lieutenant gathering the garnered wisdom of a great general of commerce.

So when Mr. Rogers shifted bobbins in his shuttle and agreeably and naturally wove fancy patterns into the woof of our conversation, I suspected no sinister motive. Indeed, in reply to his kindly queries, I was delighted to tell him how well I was getting along with Butte, Montana, and the other stocks that I had been dealing in, and how deeply interested all the country was in our plans. We must have been fully half an hour discussing the degree to which the craze for "Coppers" had spread over all America and had affected even Europe, and it was pleasant to realize his interest in my own personal well-being. Then, suddenly, as the thread on a bobbin runs out, he paused and shifted to the old subject—just as if a new phase of it had occurred to him.

"To come back, Lawson, to Lewisohn Brothers. We must buy that concern, and at once. Had you best do it or we?"

Our pleasant talk had restored my mind to its normal alertness, and I grasped at once the significance of the switch.

"I don't think I could begin to do as well as you on a trade of that kind, Mr. Rogers," I answered, off the reel, "for I don't suppose they will be anxious to sell, will they?"

"Anxious?" he replied, as quick as a chipmunk; "about as anxious as Apollo to have one of his front teeth pulled! But they will sell, and at my price, too. I think I know just where they stand, and when they know I know it, I don't believe they will be long in seeing it my way, for I shall show them what coming in with us

Frenzied Finance

means, and just what refusing my offer means, too!"

Click! His jaws came together.

"These are my plans," he continued. "They have all the money they want, and such a large European and American following that nothing could be accomplished by a financial squeeze, even if we resorted to that form of pressure; and they are very bright men. Leonard Lewisohn, head of the firm, is second to no man in America as a business man, which means he will not hanker for a fight with us; and when I show him we will buy, if necessary, the control of all the companies they represent, he will see the absolute futility of opposing us. I have it right from the inside of his own concern that Lewisohn Brothers have on hand a little over five millions cash and its equivalent, and that they consider the good-will and business of the firm worth ten to twelve millions more, which is fair enough, for their direct earnings must be a million and a quarter to a million and a half a year. Now here is what I propose offering them, and no more: We will incorporate the firm into a new selling company, which will have irrevocable contracts not only with our consolidated companies but with everything that we can influence, and the capital will be just the cash on hand, say five millions, we to take fifty-one per cent. of the stock and give them forty-nine. I will undertake to show them that their forty-nine will be more valuable under those conditions than the whole is now."

This is where I sat up amazed. "But, Mr.—," I gasped.

I remember reading somewhere that New York's infamous Boss Tweed, at the zenith of his extraordinary corrupt career, actually began negotiations with a syndicate composed of his friends to sell them the New York City Hall on a long-time note. When some curious heelers asked where the city fathers should conduct the affairs of the metropolis, he beamed on them in a paternal way as he explained: "Oh, a detail of the sale will be a hundred years' lease back to the city at a rental which will give us enough each five years to pay the purchase price."

Absurd, you say. Not so far-fetched as you may think, if you will remember the conditions under which the National City—the "Standard Oil" Bank—acquired New York's old Custom House on Wall Street. They bought it from the United States Government, credited the purchase price to Uncle Sam on their books, then rented it for a good round price to the Government, whose new Custom House was not ready for occupancy, and because it remained in Uncle Sam's possession, evaded municipal taxation on the investment. They got the property absolutely without paying a cent, and have ever since collected a splendid interest on the million they did not invest.

But this deal which Mr. Rogers outlined to me seemed to go both of these transactions a point or two better, inasmuch as neither of the parties were corrupt city or government officials, but merely private citizens in a country where all are free and equal, and where the Constitution guarantees that no man's property shall be taken from him without due process of law.

Before I could get my breath, Mr. Rogers, as if he divined my thought, quietly said:

"One of the inducements I offer will be to allow them to reinvest the money we pay them in the new consolidated company's stock, at a good big advance over what it will cost us."

This was too much. I roared and roared, and even he had to laugh as he quietly remarked: "I said you would find we had done better for you than you could do for yourself, Lawson, for you must remember you are in on this at actual cost."

I stopped laughing. "How is that? I thought you intended the new copper company to have the fifty-one per cent. of the selling company?"

He looked at me with something akin to disgust. Then his voice changed, and he let me have it straight from the shoulder:

"Lawson, do you really intend that this whole copper business shall be a charitable affair? If you do, just count us out right here. We are willing to accede to a lot of your ideas, but there is a line we must refuse to cross even to please you. This fifty-one per cent. of the selling company is to be owned by all of our friends, and it is one of the things we must use as a sop to Daly, Stillman, Morgan, and the rest, to make them enthusiastic on our main scheme, and it will not come under our general arrangements of seventy-five and twenty-five per cent. It is one of the things I want you to leave entirely to Mr. Rockefeller and myself, and you can depend upon it we will do the right thing. All the stock is to be pooled in our hands for a long term of years, so you can say to the public that its operations will be in favor of the consolidated company."

Frenzied Finance

There you will note was the second explosive point in our conversation. I was too much concerned at the moment to take in all his words implied or to appreciate the fine dexterity with which a difficult situation was being handled. These decisive sentences were cracked off quick, sharp, emphatic, like the snapping of a bunch of firecrackers. I began a "But, Mr. Rogers," when he interrupted, and his words came stern, aggressive:

"Is it satisfactory to you or not? I am half beginning to think you are crowding this good thing we have in copper a bit too much. I simply ask now, Is this satisfactory to you? Do you leave it to us, or not? But whether you do or not, this particular part does not go to the public in any way."

He really showed a heap of irritation, and even now I think a little of it was genuine anger. It came over me that perhaps I *was* overcrowding it and treating the whole copper enterprise too much as if it were my personal property; for here was something I had had nothing to do with, the setting out, pruning, and gathering the fruit from, this particular plum-tree, and so I answered without any hesitation:

"It is you, I think, Mr. Rogers, who are a little unreasonable in not giving me a chance to tell you how I look at it. Yes, it is perfectly satisfactory. I will leave it entirely to you and Mr. Rockefeller. Whatever you do will be all right."

At once Mr. Rogers' expression changed. He looked relieved, making no attempt to disguise the fact that he had discharged a troublesome duty. "That is the way to look at it, Lawson," he said. "You'll not suffer, I promise you."

Meditating over the conversation afterward, I realized how delicate his task really had been, and how well he had performed it. It had been to settle this matter and to rearrange our copper plans that he had summoned me to New York, and if I had proved refractory I can see he would have been badly snagged in his negotiations with the Lewisohns. If there had been a trace of dissension in our camp, that firm would never have surrendered their great business on such terms as Rogers proposed to exact.

This is as good a place as elsewhere to tell exactly how fair and just Mr. Rogers proved himself in the cutting of this particular melon, and to explain why he had been at such pains to have me leave it entirely to his and Mr. Rockefeller's generosity. The fifty-one per cent. of the sales company amounted in hundred-dollar shares to 26,000 (\$2,600,000). If I had insisted upon the arrangement then in force my share would have been 6,500 shares (\$650,000), which to-day are worth a fabulous figure. For some time after this I heard nothing about the matter and was in complete ignorance of what my portion was until one day Mr. Rogers said in an offhand way: "By the way, Lawson, you can send me a check for your allotment of the selling company's stock, 250 shares." Before I got a chance to interpose a word he said: "We had to divide that up among a great many, or there would have been a good deal of hard feeling, but, after all, it's only a side-show and does not amount to anything when you consider our real plans."

At this moment, carefully chosen for that very reason, our affairs were swimming along so magnificently and my own profits were so great, that I had not the heart to make any serious objection. I let the matter go with an inward resolution that at the first convenient moment I would slip out of the selling company. Sure enough, shortly afterward Mr. Rogers said to me:

"Lawson, I do wish we could get in that selling company's stock from the different holders." He did not actually say he was buying it in for the Amalgamated Copper Company, but he desired that I infer it. I snapped him up:

"All right. You can have mine, Mr. Rogers," I said.

"At what price?" And I think he thought that he would be compelled to do some trading.

"Oh, about cost and interest," said I; and the thing was done. I afterward learned that he had treated every one in much the same way, and that he and Mr. William Rockefeller practically had it all. They have it to-day, just as they and John D. Rockefeller, and possibly one or two others in "Standard Oil," have appropriated all the inner companies of "Standard Oil" where the real melons are cut—the secret rebates and all the other under-the-rose profits—while they are so industrious in their unloading of the stock of the main company, Standard Oil, that the last annual report showed that the list of outside stockholders numbers 4,100, this too at a time when 26 Broadway sits up nights to disseminate the impression that the Rockefellers and Rogers own it all.

CHAPTER XVIII. THE BITERS BIT

To see and judge actions aright one must have them in perspective. As the Celt remarked, "You can get the best view of your life after you're dead." Looking back on the performances of this period, I myself am amazed at their monstrous audacity. Remote from common experience, their extravagance suggests unreality. Here were the master of the greatest business the world has ever known, and I, a mere captain of his forces, without even a by-your-leave, calmly carving up a big commercial enterprise, the property of other men who had spent the days of their lives in creating it; and these men whose institution was thus being ravished were not children, idiots, or aged dolts, but able merchants renowned the world over for their shrewdness and success. The one phase of the contemplated operation which occurred to neither of us as worth discussing was the possibility of not securing the property. This transaction demonstrates the despotism of the "System," the extent of its rapacity, and its arrogant disregard of all laws and rights, human or divine, in the enforcement of its exactions. And it was but one of a hundred similar transactions.

Before Mr. Rogers and myself parted, I had definite instructions: First, to begin to teach the public to look for new things in the first section; second, to overcome the objections of the holders of Butte & Boston and Boston & Montana, and other Boston stocks to being in the second section of the consolidation; third, to purchase the majority of the Parrott Company's stock; fourth, to see that the public kept away from Anaconda in the market for the time being.

While the minor details of these plans were being mapped out, I had let my mind run over the market situation of Anaconda stock, and had arrived at certain conclusions which I determined to test forthwith. So I said:

"Some one, Mr. Rogers, must have bought lots of Anaconda while you have been working this plan out—I mean lots outside of that which is going into the new company—and I should like to know if I'm in on any part of what may have been gathered in?"

His eyes focused me with a cold stare which told me even before he spoke that I had better have kept my suspicions to myself.

"I have heard of no one putting you in on any Anaconda," he said sarcastically. "You have not given any one any orders, have you, nor sent any one your check to pay for any, have you?"

I was nettled at his tone. "That is all I wanted to know," I answered. "Of course, Anaconda will have a still bigger rise, and if we have all we care to buy for the new company, no one will object to my telling the public what a good thing it is and putting them aboard now."

I was on perilous ground. He gave me an ugly glare which I knew meant real danger as he slowly said: "I think, Lawson, you have done all that is necessary for you to do for the public in letting them in on the things you already have, and for some time any one who interferes with the market on Anaconda stock, which I consider fairly belongs to Mr. Rockefeller and myself, will not find his investment a profitable one."

"Well and good, Mr. Rogers," I answered. "If you consider the market yours, I will not interfere, but I wanted to know just how it stood."

"You know now, and I shall expect you not only to keep out of it, but to see that it is handled in such a manner that all others stay out—all others except sellers," which meant that not only was no one to get any of the benefits on this stock, but that innocent holders were to be enticed into selling, that "Standard Oil" might buy before the real rise came.

As I write these sentences I marvel at my patience, and my blood tingles with the thought of how, if the opportunity were again mine, I should reply to such an imperious mandate. If men said and did at the crucial moment all the wise, strong things that occur to them afterward, this would be a different world. The brave and scornful words I should have uttered I choked back, and, as countless others had done before me, I bowed my head and—submitted. Conscience and honesty slunk sadly into the background as I flaunted off on the arms of policy and discretion, pirouetting to the jingling music of golden shekels.

Great fortunes are seldom achieved without sacrifice of morals—or at least of pride—and ambition makes meaner cowards of us than conscience. Then and there I might have made a martyr of myself by threatening

Frenzied Finance

an exposure of the whole bad scheme and defying “Standard Oil” to do its worst; but martyrs seldom give themselves to the flames, and looking back dispassionately from the vantage-ground of the present, I doubt seriously if by denouncing the conspiracy I should have done more than discredit myself.

The interview ended, I returned to Boston and at once began the execution of the new plans, the remoulding of the public and the purchase of the Parrott mine.

Parrott was an active mine earning a large revenue and with something over 200,000 shares of capital stock. For the purpose of Mr. Rogers' plan its inclusion was essential, for it was well known and helped cover up the inflation in his consolidation.

Possession of 100,000 shares would give control, and the public would imagine when the announcement of its purchase was made that this meant ownership of most of the entire capital stock. Indeed, it afterward developed that this was one of the conditions Mr. Rogers and William Rockefeller relied on to deceive investors, for it was a natural assumption that nearly all of Anaconda and Parrott were included in the consolidation, and in estimating the value of the properties the public would multiply the market prices of their shares by the total capital stock and assume the result represented the assets of the amalgamation. For instance, the valuation of 1,200,000 shares of Anaconda at \$70, and 200,000 shares of Parrott at \$68—the prices at the time Amalgamated was floated—would represent respectively \$84,000,000 and \$13,600,000; whereas the company owned only 602,000 shares of Anaconda and a few shares over 100,000 of Parrott, selling for in all about \$48,600,000.

The control of Parrott was in the hands of certain wealthy Connecticut brass manufacturers, and, just previous to my receiving orders from Mr. Rogers to acquire the property, they were so anxious to sell this mine that they had given my brokers, Brown, Riley & Co., of Boston, an option on a majority of their shares at \$10 per share, agreeing to pay a large commission should a good customer be secured. Before I could clinch at this figure they took advantage of the excitement in “Coppers” to bid up the stock, so that when I began operations Parrott was in the market at \$15, and I offered \$20 for the majority of the shares. An intimation of our purpose must have leaked, for other shrewd owners, also Connecticut men, bid the price up still higher until I was forced to raise my limit to \$30 per share—quite an advance on \$10. On that figure we all agreed and the papers were prepared, but at the last moment a young man “butted in”—I think he was the son-in-law of one of the owners, who turned up with an option, and declared he could get \$40 per share for the property. We were trapped, for the alternative presented was to forego the purchase or pay the price demanded. There was a conference, at which I denounced the “hold-up” in strenuous terms; but the son-in-law proved equal to the emergency and stood by his guns, though some of the old gentlemen declared his exaction was unwarrantable. In the discussion there developed a queer fact—the son-in-law told us that the property was a good deal richer than any one thought: he had discovered that a certain section of rich ore in which there were several millions of dollars had been walled up by some designing person for his own purpose and the mine was easily worth \$40 per share. I had heard stories of this kind before and frankly professed incredulity. The son-in-law agreed to reveal the ore to any one we might send to the mine, and so one of our most trusted engineers was despatched with him to Butte on the agreement that if he were convinced that the walled-up values were all that had been indicated, we should pay \$40. If not, \$30 would be the price. The twain started at once; our expert was convinced, and we paid four millions instead of one, two, or three. Strange to say, the subsequent operations of the mine have never revealed the walled-up values; instead, there has been developed a queer lot of litigation, the tendency of which suggests strange uses of that extra million. Anyway, the trade was made, and the gentleman of the Nutmeg State went home chuckling at the thought that though there was a “Standard Oil,” there were others.

“Standard Oil” never forgets. Sometimes it may get left at the post, but always it catches up in the running—so as to be in the lead at the tape. When I reported the conclusion of this Parrott deal to Mr. Rogers, he said:

“Lawson, all's fair in a trade”; but I shall never forget the expression his face wore as he went on. “Just give me the name, Lawson, again, of that particular individual in this particular trade, that I may remember him hereafter.” He spoke in a low, intense tone, and each word was separated from the preceding one by a dwelling stop. I gave him the name and the identification marks to go with it, and felt satisfied that even if the Nutmeg financier lived to be a thousand and Henry H. Rogers kept him company, there would surely come an

Frenzied Finance

evening—up which would be the worse for the erstwhile victor. Sure enough it came soon afterward, for the able Connecticut man, embarrassed at possessing so much uninvested money, came to us to ask advice about reinvesting it. The “Standard Oil” magnate was most sympathetic and generous, and pointed out the obvious advantages offered by the great new company Amalgamated, which would be out in a few days at \$100 per share, and doubtless would sell soon afterward for \$150 per share. The Nutmegite nibbled and then swallowed bait and hook whole, for when the subscription was announced his agents' names were found opposite a large block. Later on he applied to us for consolation and advice, for the stock he had bought at \$100 and \$124 was then selling at \$33. We figured out for him that after all he had little to complain of; “for you see,” we explained, “fair exchange is no robbery, and you have had just a fair exchange. You sold us your property inflated four times, and we sold it back to you under another name at about the same percentage.”

Before the fireworks began, Anaconda sold in the market at \$25 per share, and Parrott, as I have shown, at \$10, and in addition to the enormous profits which Mr. Rogers and Mr. Rockefeller made in the Amalgamated Company proper, they cleared some \$15,000,000 to \$20,000,000 on their outside purchases of Anaconda, and some \$25,000,000 to \$30,000,000 more later by selling it short (as I shall show hereafter), at the tremendously high prices which were obtained by leading the public as well as myself to believe that they intended to purchase the entire stocks of both companies for the Amalgamated—that is, it was given out that the sections which were to come after were to have these minority holdings included in them. They sold Anaconda short in enormous quantities between \$50 and \$70, and Parrott between \$50 and \$68; afterward they bought them at \$14 and \$16 respectively, and no one knows how many millions these gentlemen are taking in now, for both stocks are again on the return trip, selling at the present writing at \$32 and \$30 respectively.

CHAPTER XIX. THE DESPOILING OF LEONARD LEWISOHN

A few days later there came another summons from New York. Realizing that matters of importance were in the balance, I hurried over. Nothing could surpass the cordiality of Mr. Rogers' greeting as I entered his office.

"Lawson," he said, "we own Lewisohn Brothers."

"You certainly lost no time," I replied. "Is it actually fixed up already?"

"Yes," he said, settling back in his chair. "It was about as I outlined to you the other day. We had a very pleasant sit-down—Leonard Lewisohn and I—and I frankly told him what I wanted, explained our plans, and gave him twenty-four hours to think things over. Next day he was in and we went at it again. He began by talking \$15,000,000, and it did come hard to bring it down to a little less than the actual cash and copper on hand; but when he saw I intended to have things my way or not at all, he meekly surrendered, and the United Metals Selling Company (\$5,000,000 capital stock) is now a reality. And, Lawson, if I ever had to do with a better scheme I certainly cannot recall it."

"Did not Lewisohn put up any sort of a fight?" I persisted, surprised that so able and forceful a man should succumb so easily. "Didn't you have any words about the matter?"

"Not any but pleasant ones," replied Mr. Rogers, "although Lewisohn did, in an almost pathetic way, gasp when I emphasized that my only terms were \$5,000,000, fifty-one per cent. to us and forty-nine per cent. to his people. He told me how he and his brothers had struggled up to success. They began in a small way as feather merchants, you may remember, and from one thing to another they progressed until the firm is known to-day as one of the greatest copper houses and the greatest coffee house in the world. He explained how he had brought up his three sons and his daughter's husband in the firm until they had become great merchants, too; and his ambition was that their sons and grandchildren should succeed to the institution, enlarging and strengthening it until the house of Lewisohn was as famous as the house of Rothschild—with which, by the way, he is closely connected. I tell you, Lawson, I felt a bit mean when, after he had told me how he had always kept his name's credit as good as any other man's bond, he asked me almost with tears in his eyes to let the name of the new company be Lewisohn Brothers. Indeed, he made a strong argument on the great value of the name to the copper business; but it did not take me long to show him the evils that grow out of letting men's personalities get into the public's mind. I battered down his objections by showing him the wisdom of Mr. Rockefeller's attitude in this connection. Always, from the first, he has taken the stand: 'The business first, the man second': with the result that there has never been jealousy or dissension in Standard Oil."

"Too bad," I interrupted.

"Yes," Mr. Rogers went on; "I wished I might have done this for him, for he is a splendid fellow; but it would not do, for after the newness wore off he, or more probably his sons, would surely imagine that they, and not we, were the real heads of the business."

As I have explained, Henry H. Rogers, when not working the handle or hopper end of the "System's" grinder, is a warm-hearted and generous man. And now, resting from his labors, he was the genial and kindly gentleman whom his social acquaintances admire so sincerely. I believe he felt almost as badly as I did over the sad picture he had drawn of the proud old merchant yielding up his children's birthright. I felt grieved to the depths of my soul at Leonard Lewisohn's predicament, for I knew, as did all men connected with Wall Street or Copper, what a stalwart he was. He had the heart of an ox and the pluck of a lion, and his white-man squareness and sense of justice belonged to other periods than that of frenzied finance. No man or woman in distress ever left his house or office without relief, and he gave as generously of his time and advice as of his money. Amid the jagged rocks and treacherous cross currents of Wall Street Leonard Lewisohn stood as a beacon lighting the way to better things, and men pointed at him and said, "There is still hope." Amalgamated may not have broken this man's heart as it did others, but I can imagine the bitterness and distress it caused him, whose proud boast it was that he had never gone back on his word. One of the promoters of the company, his name stood, in the minds of many investors, especially European, for a guarantee of fair play and square dealing. Yet the course of Amalgamated was one continuous going back on words. He had never

Frenzied Finance

allowed an associate of his to lose through his ventures, but in Amalgamated there was nothing but loss, and loss by trick and fraud. After the flotation, with its harvest of disgrace and scandal, Leonard Lewisohn became a changed man. His old-time happy smile was seldom seen, and it is said that before he died he summoned his sons to him and instructed them to destroy the notes and obligations of all his poor debtors and to return to them their collateral, of which there was a safe full. This man employed no press agent, and so his golden deeds were never reported in the papers, nor did he found a college to perpetuate his name; but he left a million of his estate to found a great home for the Jewish poor, for he loved and was proud of his race.

I have given you a portrait of this man; let me, by way of contrast, present another picture, which will help toward an appreciation of how the votaries of the "System" respond to generosity and chivalrous self-abnegation. Before Leonard Lewisohn died he organized a tremendous deal in coffee, and Rogers, Rockefeller, and all the other "Standard Oil" men were in. A fund of \$5,000,000 was subscribed, to which all contributed in due proportion, and an immense amount of coffee was bought against a prospective scarcity. The condition Mr. Lewisohn anticipated did not immediately develop, and instead of rising, coffee dropped down and down until the \$5,000,000 and more were all used up. Another man would have called on his associates for additional margin, or, at least, closed up the deal. Not so Leonard Lewisohn. Though some of the other members of the combination were many times richer than he, he shouldered the burden alone, saying: "It's my scheme, and I'll carry it if it breaks me, or until my judgment is proven sound." Still coffee declined until he had sunk \$12,000,000, but never a whimper and not a word of complaint to his partners. Things were near the worst when he died, but he had instructed his heirs not to wind the deal up until every cent of his associates' liability was wiped out.

There came a time not long ago when Leonard Lewisohn's foresight was vindicated, and an advance in the price of the commodity relieved the "Standard Oil" coterie of their responsibility. The sons of the old man then desired to dispose of the great holdings of coffee, and so close the deal and secure the locked-up millions for the estate. They went to the various members of the syndicate and asked them to sign a release simply agreeing to relieve the estate of liability for presumptive profits growing out of further advances in coffee after they had sold out. It was a very ordinary legal precaution, and no great favor to the Lewisohns under the circumstances. The members of the syndicate signed the release in due course, until the document finally came to Henry H. Rogers, and this is the contrasting picture:

"Coffee is going up, I think," said the "Standard Oil" magnate, "and now that the Lewisohns have extricated themselves from a bad hole, they may as well carry the stuff until I get some profit out of it. Neither Mr. Rockefeller nor I will sign that document."

CHAPTER XX. THE CHRISTENING OF AMALGAMATED

My readers may recall the wave of indignation which swept over this country when the news came of the kidnapping of Miss Stone, the American missionary, by the bandits of Bulgaria, and how hot we all felt at the capture of Ion Perdicaris by Raissuli, the Morocco rebel. Only in remote and barbarous countries, we reflected, could such outrages occur, and we dwelt with high inward satisfaction on our own splendid American institutions and law-abiding civilization. If only these miscreants were on American soil so American justice could lay hands on them—what stern punishment would be meted out to them! Yet, under the panoply of these noble institutions and just laws of ours, one citizen of our commonwealth was enabled to seize from another millions of money and the ownership of a great enterprise—literally wrench it from the hands of men who had spent their lives in developing it—and the execution of the deed involved neither financial nor physical risk and carried with it no legal nor social consequences. Look on the picture, all ye free Americans rejoicing in vaunted liberty and the right to the pursuit of happiness—this able and successful merchant, head of a great business which it has been his life-work to rear, surrendering the splendid structure at the mere nod of one man, whose “I want it” is more potent, more irresistible, than family pride or Government decree. If Leonard Lewisohn, a millionaire many times over, rich in connections with the strongest financial houses of Europe, meekly submitted to the behest of “Standard Oil,” what resistance could the average man oppose to such a power? The logic of the situation is inevitable. Can you free Americans absorb the details of this most extraordinary performance and not see the coming storm as clearly as the mariner does when all along the horizon creep the hosts of Boreas and the barometer drops like lead in a shot tower?

At last, in April, 1899, the first section of the much-heralded company was ready to step before the footlights to the plaudits of an awaiting financial world, and it was really a great moment when Mr. Rogers sent me word: “Come over, and be prepared to stay until the consolidation is formed and launched.” I was at 26 Broadway next day, and we entered at once on our council of war. It was a momentous sitting and secret, for, until the entire programme was mapped out and decided upon, no one was a party to it or had knowledge of it but Mr. Rogers, his counsel, William Rockefeller, and myself. After we had finished the final details, Mr. Rogers said:

“This is a job on which we must not lose time, for if we give any one, even those who are to be directors, too long to think things over, there will be counterplots, and a cog may slip or jump and we shall all be crushed. We must all bear in mind that this thing has rolled up and up until it is unprecedented in business affairs, and if we slip up in any of the important details, we shall have a panic on our hands such as Wall Street has never witnessed.”

On all sides for weeks there had been accumulating evidence, which we could see pointed to a monumental success or an avalanche failure. The copper market was literally boiling, and investors from one end of America to the other and throughout Europe were on the *qui vive* for the anticipated announcement. At intervals in history great “booms” are started, which bloom into iridescent bubbles, and for a moment dazzle the world with fairy dreams of sudden millions. Greatest of all these was the South Sea Bubble. Since then we have had the tulip craze in Holland, the Hooley excitement, and the Barney Barnato South African mining furor in England, the Secretan copper corner, and the tremendous bonanza delirium in California; but none of these, save the first, is comparable with the magnitude of the copper maelstrom of 1899. The tulip craze could have been thrust in and withdrawn again without diverting one of its currents; the Barney Barnato affair was little more than an eddy on the surface of English finance in contrast. We were dealing in hundreds and five hundreds of millions; shares rose and fell twenty to fifty points in a day; some had mounted to the giddy height of \$900 each; thousands of the public had invested their savings in one copper property or another, and all awaited with bated breath and marvelling anticipations the launching of this copper monster with its freight of hopes and visions.

The programme as specifically arranged had several important clauses. The first involved the notification of James Stillman, President of the National City, the “Standard Oil” Bank, who was to be let into only as

Frenzied Finance

much of the secret as was necessary to enable him to handle his important end intelligently. To Leonard Lewisohn it was decided to intrust the French, English, and German end of the subscription, and he was at once to receive orders to lay his pipes. I may say here that this task was admirably executed through his son-in-law, Philip Henry, of the English branch of Lewisohn Brothers. The other directors of the company were then and there selected, but it was agreed that they should not be told of the distinction thrust upon them until the very eve of the company's formation.

This decision surprised me at the moment it was concluded, for with my Boston ideas I had regarded the gentlemen we had chosen to preside over the destinies of our great company—all men of the highest prestige and standing in American finance—as so powerful and so independent in their own fields as to be beyond either the coercion or the cajolery of “Standard Oil.” It was because of this reputation for integrity and the confidence their names would inspire in the public mind that we had selected them; yet here was Mr. Rogers irreverently using them as the veriest pawns in his game, and taking absolutely for granted their immediate consent to the loan of their reputations and honor for any scheme he might put up. The possibility of one of these eminent financiers objecting to be used in any way “Standard Oil” might desire was a contingency evidently so remote as to be unworthy of consideration.

The legal aspects of the problem were considered, but as we felt sure of our ground it was agreed to avoid all delays in this direction. As a matter of form and habit, however, Mr. Rogers said that at the last moment, when the papers were ready to issue, he would have the wise lawyers in charge of the legal department of 26 Broadway run over them, but whether they approved or not, he would allow no technicalities to hold up the flotation. This was certainly a departure from the well-ordered rule of “Standard Oil,” but the urgency of the situation seemed to require it.

After our council adjourned, not a moment was lost. The organization was quickly shaped up and got ready, and the time was ripe to broach to Mr. Stillman the part that he and the funds deposited in the National City Bank were to play in the forthcoming engagement. This was a crucial point, and I saw that Mr. Rogers approached the task with no gusto. Before he went off that night he spoke about the interview which was to occur after dinner, and he said:

“I don't mind giving Fewer or Olcott or even Morgan but a minute's notice, for every one of them will do about what I ask him to, but I shall feel better when I get through with Stillman.”

“But Mr. Stillman would never dare to refuse what you and Mr. William Rockefeller asked, any more than he would the request of John D., would he?” I asked.

“I don't know about that,” Mr. Rogers replied. “Stillman has been growing fast of late, and it is not nearly so easy to get him to consent to run deals blindly as it was formerly. Of course, if he were in on the bottom floor with us, it would be different. All I fear is, he may ask questions, and if he does, it will not do for me to refuse an answer. And too many answers may be dangerous to our plans.”

“Why not take him in with us—you, Mr. Rockefeller, and myself?” I suggested. “The profits will stand it, and as far as my share goes I am willing.”

“Not by a jugful, Lawson,” said Mr. Rogers emphatically. “Stillman will only get what fairly belongs to him. He has had none of the risk or work, and we do not need him in any way except through the bank, and the bank is 'Standard Oil's,' not his. He is lucky to get what I am going to give him.”

It is interesting to note in passing the authoritative manner in which 26 Broadway speaks of the so-called institutions of the people that it controls—the banks, trust companies, and insurance companies, having deposits of hundreds of millions of the public's money. Familiarly they are alluded to as “*our* bank” or “*our* insurance company,” as the case may be. We are all apt to feel we own the things we use, and that Mr. Rogers should speak of the millions of the National City Bank as “our funds” is not surprising when he possesses the power and the privileges of doing with them as he pleases. I was too fascinated at that time by the ready magic of “Standard Oil” to observe all the anomalous conditions my relation with it revealed. Such things all seemed a natural attribute of the despotic and all-powerful institution that I served.

I was vastly relieved when Mr. Rogers reported, the following morning, that at the dinner with Stillman everything had slipped through very smoothly. Not only would the National City Bank take charge of the subscription, but through the institution Mr. Stillman would furnish the millions necessary to form the company. This meant supplying the paraphernalia in loans, checks, and cash necessary to pay in the

Frenzied Finance

seventy-five millions capital, thirty-nine millions of which must at once be “book-keepingly” available to pay for the property bought from Daly, Haggin, and Tevis, and purchased by the company.

“It couldn't have gone through easier, Lawson,” Mr. Rogers said quietly, “for the fact is, Stillman seems to have got the copper fever as badly as any one else and is as anxious to take a hand as we are to have him. It will be plain sailing now unless we strike some snag with Sterling or Elliott”—referring to the principal “Standard Oil” lawyers.

By this time such substantial progress had been made with the plans that they were formulated on paper and the time had come when it seemed advisable to try them on the “Standard Oil” law-department. We arranged that night that next morning Mr. Rogers should himself go over the matter with Mr. Sterling. I was waiting in his office when he returned from this consultation, and the expression of his face as he entered indicated plainly that a real snag had been struck. His jaw and the droop of the upper corners of his eyelids gave a curiously sinister aspect to his face.

“Well,” said he, “Sterling says if we carry out that plan there may be h—l to pay some day.”

“Wherein does he say it is wrong?” I asked, not over-surprised.

“Everywhere. He says if there is any slip-up in the future Mr. Rockefeller and myself may have to pay back a lot of money.”

“Well, what are you going to do?” I said.

“Just what we started to do.” No lawyer's warnings could hold him back from the bursting barrels now in sight. He went on:

“I told Sterling to forget I had asked him to pass on the matter, and that I would have my own counsel take the responsibility. So we go right ahead, and nothing is to be said to any one, not even to William Rockefeller. I have always argued that it is fool business to go to a lawyer with a scheme that depends entirely on how it is carried through as to whether it is perilous or not. I could have told Sterling there is apt to be more danger in a deal in which one makes thirty-five to forty million dollars without turning a hair, than in furnishing staid advice from an office-chair for a fixed sum per diem.”

The concentrated incisiveness of these sentences! Opposition, the mere suggestion of danger, had stimulated his determination to proceed rather than enjoined caution. Himself convinced of the expediency of our deal, no power on earth could make him deviate or face about. Truly a man of blood and iron, as Bismarck or Moltke was, his erected will is a sword and a vise. To gain a predetermined goal Henry H. Rogers will go through hell, fire, and water, swing about and make the return trip, and then repeat, until death interferes or his object is attained. Such men as he in other days subjugated kingdoms or made deserts where they operated; in religion they became St. Pauls or Savonarolas.

It may occur to my readers that in depicting Henry H. Rogers I use more whitewash than tar, and that if he is half as determined and relentless as my characterization of him, he will surely exact a terrible reprisal for what I have written here. In describing the man I adhere to the facts, and before I began this crusade I weighed well the consequences. From the implacable wrath of Henry H. Rogers and his associates, from a thirst for vengeance which grows more bitter as it is deferred, nothing can save me, nothing but—myself.

And now events flew. Mr. Rogers took the forenoon to notify Governor Flower, President Frederic P. Olcott, of the Central Trust Company; Marcus Daly, and J. P. Morgan, that they, in connection with William Rockefeller, himself, his counsel, and James Stillman, were to constitute the directors of the new company.

“There, Lawson,” he said, when he returned to 26 Broadway, “that job is done, and I am glad it's off my hands. It was all pleasant enough but the Morgan part. I wish it were possible for us to get along without having his assistance, but it isn't. Leaving him out would create comment, from which it would be only a short step to Wall Street's nosing around and manufacturing something uncomfortable, even if they didn't discover it. I don't like Morgan a bit, and he likes us less. It won't be long before one or the other of us will be able to do business without knowing what the other's about, much less consulting him—not very long.”

As the “not very long” shot out from between his lips much as the tail-end of an up-chimney wind switches itself around the angle of the fireplace, I felt there was little doubt in his mind who would be left to do business after the final drag-out and clean-up. At the same time it did not dissipate a sort of come-and-go confidence I had that the old terrapin around whom so many of Wall Street's eddies have swirled would cause the 26-Broadway crowd many a broken knife-blade before crawling or being pushed into his shell. Turtles

Frenzied Finance

are not much good as sprinters, but they're blue-ribbon winners when it comes to the staying class.

"You didn't meet with any set-back with Morgan, did you?" I asked.

"Oh, no," Mr. Rogers replied; "he simply said it would be best, everything considered, for us to put in his right-hand man, Robert Bacon, instead of himself, and I agreed with him; in fact, I think it much better, as Bacon is a rattling good fellow who takes no interest in the other fellow's business, even when he does happen to be a director in the other fellow's company, and he will recognize that this copper affair is mine, not Morgan's." He stopped abruptly. "Now, Lawson, let us settle upon what in this case is an important point, the name of the company." He had asked me the day before to think of a suitable title for our organization, and I had put in some time with a pad and pencil experimenting. I had several names ready for him, but after I had run over them and given my reasons, he said:

"There is nothing more important than to have just the right name for a company which is going to make history, is there?"

I agreed; in fact, even more than he I was impressed with the desirability of a suitable name for a corporation whose stock was bound to become a great market star, and I was not satisfied with any I had dug up. Give a stock or a book a good name, and it is sure to be numbered among the best sellers.

Mr. Rogers continued:

"Lawson, we want something as good as 'Standard Oil,' if it is possible to find it. Now"—and he drew over one of his little writing-pads and taking a slim gold pencil from his pocket slowly wrote something and handed it to me—"how do you like this?"

I read "'Amalgamated Copper Company.' Perfect!" I exclaimed.

"I thought you would say so"; and he reached over and wrote underneath the name, "A second Standard Oil." It was an impressive moment for both of us. I folded the slip, and putting it in my pocket said: "You will see this again, Mr. Rogers, when its stock sells for as much as Standard Oil."

Surely an adder crawled from that tiny golden cylinder and upon the smooth white paper distilled its subtle venom. I, poor fool, exulting in the splendid throes of accomplishment, never dreamed that the real christening of my bantling was the toast the Master of Hell drank as the name "Amalgamated" was slowly traced upon the pad before my eyes; never dreamed that this cherished offspring on whose rearing I had lavished all I possessed of dollars, of ideals, of generous hopes and high expectations—whose growth I had literally watered with my sweat—was an imp of darkness. My fool's paradise I had planted with all manner of fair flowers and lordly trees, and in my folly believed that those who had been my friends were forever after assured of pleasant places, lovely perfumes, and grateful shade; but like the Grecian in the ancient fable, I found I had sown dragon's teeth, and the crop I reaped was of hatred and envy, passion and revenge.

CHAPTER XXI. FIXING THE RESPONSIBILITY

On the day before Amalgamated's incorporation, Mr. Rogers and I conferred long and earnestly upon the plan of campaign for the company's organization. It was very necessary to avoid all errors, and to have everything cut and dried in advance. We were obliged to railroad things through, once started, a hitch or a side-track might be fatal, and I desired to have Mr. Rogers pass upon the programme I had drawn up. Therein was set down the work of each captain, lieutenant, and water-carrier who was to take part, and we discussed every detail to a finish. When he had approved everything up to the point where formation ended and the flotation began, I said:

"Now comes the most important part of all—the offer to the public; for a slip-up, the misuse of a single phrase, or even of a word, at this point might destroy our whole structure."

"Quite true, Lawson," he answered, "but I have no fear of you there. Let me have your idea."

"First," I replied, "there should be an advertisement of the National City Bank, and one of the Amalgamated Company, and in this advertisement the story of the good things we have collected must be told in strong terms."

I am now about to explain exactly of what the First Crime of Amalgamated consisted, and it behooves my readers to weigh carefully the details, for I make the claim here that without further proof they will be able to realize not only my own position and purpose at this, the crucial, stage of the Amalgamated enterprise, but to grasp the cold-blooded villany of the men I am exposing.

At this time I was in a most uncomfortable and uncertain position. Each day that I did business with Mr. Rogers and his associates increased my knowledge of their heartless brutality in dollar-making. I knew I was on dangerous ground; but to retreat meant not only my own destruction but terrible losses to my friends who had followed me and to the public which had come in on my advice. So I had made up my mind to go on but to keep my eyelids pinned back, my tongue anchored, and what gray matter I possessed oscillating. Remember, I was in no way sure that Mr. Rogers intended to misuse the public, but I suspected that his coat-sleeves contained more things than his shirt-cuffs, and that he was playing a game other than the one he let me see. Up to now Mr. Rogers and William Rockefeller had kept me between the people and their legal responsibility by having all public statements made over my signature. I had half-way concluded that this was done to avoid future accounting, but there might be other reasons. I determined when it came to the flotation, which would be the first time they took openly the public's money, to connect them publicly with my statements. It is next to impossible for any man to sit in front of Henry H. Rogers and give one reason for his actions and have another about his person; but this was a desperate situation and I resolved at any cost to carry my point. How difficult a task I had undertaken I did not realize until I was well into it. When I had stated the form I thought Amalgamated's first announcement should have, Mr. Rogers paused. He repeated:

"The City Bank—that's a question. Now, how do you propose to go about that advertisement?"

"Simply this way," I replied. "I will draw up a memorandum of the main strong points about the Amalgamated Company, and you will ask Mr. Stillman to have some of his people write them into a good, clear statement. This we will publish as an advertisement over the bank's signature, and have the Amalgamated Company indorse it, showing that it is joined with the bank in responsibility for the truth of the announcement."

Mr. Rogers said nothing, but continued to gaze inquiringly at me. I went on:

"Or, the Amalgamated Company can be the principal and the bank the indorser."

"Just what is the bank to say in this statement?" he asked very seriously.

"The big things about our enterprise that I have been telling the public. We will put them forward in an old-fashioned, unequivocal way—that should accomplish what we want," I replied.

He was looking at me in a curiously searching manner as I spoke. He said:

"Let us have the strongest one or two as an illustration."

"Well, for instance, what I have advertised so often, that this stock is so good the 'Standard Oil' people who formerly owned the property behind it would prefer to own all the stock and hold it as a permanent

Frenzied Finance

investment, but that the enterprise is so large their interests will be better served by letting the public in than going it alone. You and I know that's true. Also that the company is earning sixteen per cent. and will always pay eight per cent. or over. Something to that effect."

"Do you suppose, Lawson," said Mr. Rogers, straightening up and speaking very impatiently, "that the public will swallow any statement of that kind? Just think it over—William Rockefeller, James Stillman, and myself, to say nothing of others, openly spending our money for advertisements to induce Tom, Dick, and Harry to buy stock at par which we know is earning sixteen per cent. and will always pay eight!"

"Why not?" I responded. "I have practically stated the same thing scores of times as your agent, until, so far as the public is concerned, my telling it is the same as though 'Standard Oil' had said it."

"Well and good," Mr. Rogers went on dryly. "But, Lawson, you know there's a heap of real difference between your telling it and our putting it over our signature."

I well knew the difference, but I had my point to make; so I said:

"All right. Let the City Bank and Mr. Stillman put it their own way."

"Lawson, that's foolish," Mr. Rogers returned. "They must not be allowed to have anything to do with it save to O. K. what we are to advertise over their signature. Stillman would never agree to our using the City Bank to hawk any stock but a gilt-edged one."

"Isn't this a gilt-edged one?"

Mr. Rogers glared at me.

"Why waste time and words over a matter that you know as well as I must be handled very, very gingerly? It is not because it is not gilt-edged, but because of the peculiar situation of it. The public thinks this stock which is to be offered to it belongs to the Amalgamated Company, and that the City Bank is selling it for the Amalgamated treasury just as in any of the ordinary first-class issues they offer for subscription; whereas we know that the stock belongs to us and the bank is selling it for our profit. If the public suspected that this stock was ours, and that we were not going to subscribe on the same basis as themselves, it would demand to know what we paid for it, and if we didn't tell, it would be figured out as a clear case of false representation. Where would that leave us? Mr. Rockefeller, myself, the bank, and Stillman would be held for every cent of the capital forever. We cannot put our heads into any such halter."

"I cannot see why not," I expostulated. "You and I know there is no more chance of loss than if we were dealing in the City Bank's own stock, because of the way we are handling the deal, selling only \$5,000,000 to the public, and standing behind every dollar of that, all possible risk is eliminated."

"Call all that true," angrily replied Mr. Rogers, "and you don't alter the fact that such a scheme as you map out is *impossible*. You must get to work and figure out some plan which is practical."

"I knew that we should find this a difficult matter to get right," I said. "Now, what is your idea of how it should be gone about?"

This time the burden of explanation was fairly upon Mr. Rogers, and I waited his answer expectantly. He replied, in much milder tones:

"There is no real difference between us, Lawson, except that you don't seem to realize the actual position we are in. We are going to do what is fair and right in this enterprise—indeed, there is no necessity for anything else—but we must not put the bank or ourselves in such a place that either or both of us can be held legally responsible for anything that happens in connection with this company. You must keep in mind Sterling's words, that the thing is risky enough anyway, and that even under the best circumstances and conditions we may find ourselves in a hole. Exactly how to do it I have not figured out, but the City Bank must appear as offering the subscriptions, and the Amalgamated Company as owning the stock, and simultaneously some one else must tell all about the advantages. Unless this latter is very fully done, the public will not only refuse to subscribe, but will get suspicious, and there might be a big scandal. It seems to me as though this part of the job is yours to do, and to do just right."

So far in our argument we were even. We eyed each other as fighters do in a ring—looking for an opening. Both sparred for an idea. Mr. Rogers' reluctance to shoulder any legal responsibility deepened my suspicions, and inwardly I sweated blood at the thought of the deviltry that might be piled up around the affair. However, there was nothing for it but to square away and keep sparring, for if I lost my temper and exploded, it meant that I should be ground up or disappear in the hopper, and then, good-by to independence.

Frenzied Finance

It was the first time I had ever sat in a finish game with the master of "Standard Oil," and I trembled at the possible outcome. Yet this duel—for it was as clearly a fight for life on my side as though we both were armed with deadly weapons—was but one of a thousand similar encounters the Rogerses and Rockefellers had had with other adversaries as fearless and as honest as I, and out of these heart-breaking and soul-crushing sit-downs they had always emerged survivors, while behind the "Standard Oil" juggernaut, defeated and submissive, trudged the men who had dared oppose them. Should the fate of these others be also mine? Across my mind flitted "not while my brain retains its fly-wheels and my hands their power"; and I found myself wondering if there were not some stage at which a man cornered by arbitrary conditions and legal observances was justified in bursting all such trammels and meeting artifice with physical violence. Murder is a crime against society and against nature, and we must all observe the canons of God and the regulations of the law; but at least a dozen times in my wrestles with the exasperating, grinding, hell-generating machine, it was only my inborn reverence for God's law and man's that prevented me from—well, shall I say, strangling the fox?

All this, however, was between me and my mind. I showed not a vestige of it on the surface, but went on with much earnestness:

"Mr. Rogers, I think I understand the situation perfectly, but let us see if I do. We have reached a point where we are out in the open, and the whole world is in position to pass judgment on us and our venture. There must be between us unanimity of purpose, for the time is past when I can say one thing, you another, and Stillman and his bank confuse all concerned by agreeing with one story and denying the second. It is essential that we all pull together, yet conditions are such—and no one's to blame for them, for they have so developed—that we cannot have a general pow-wow to organize a programme. We, you and I, must formulate a plan which can be sent out to the public with the approval of all concerned, all the parties to it being sure they understand absolutely its meaning, while in reality it means something different to each of them. Isn't that about it?"

"You have covered the situation fully, Lawson," approved Mr. Rogers. "You must understand that this tie-up is due to our having departed from our usual way of doing business. 'Standard Oil' never goes to the public direct for money, but works up its projects through some of our"—he almost said "dummies," but caught himself—"our lieutenants. You have worked up this affair in our name instead of your own, as would have been the safer way."

I thought to myself, "You cannot, whatever you do, evade responsibility for the millions you are to take this time"; but I went on smoothly:

"This, then, is how I see our procedure: We will write out an advertisement for the City Bank. You will have Mr. Stillman pass it for the bank, by authorizing me to publish it. You will then authorize me to publish a second advertisement on behalf of the Amalgamated Company. If there is any slip-up, I, as the agent of both, will have to become responsible instead of you. Is that right?"

He nodded. I went on:

"Besides these, there must be a third advertisement, in which some one will tell the strong facts about Amalgamated, and it will be so worded as to bring the public with its money into the City Bank just the same as though it were signed by the bank, Stillman, the Amalgamated Company, and you and Mr. Rockefeller. What's the use of beating round the bush any longer? The one to sign that story and stand behind it is myself, because, owing to conditions, no one else will."

I had said it. Mr. Rogers' eyes snapped just once. Only on two other occasions in all my long and intimate acquaintance with this wonderful man have I seen him lose his self-control. To anger he will give way frankly if the occasion justifies it or he desires to intimidate or impress an individual; but his face, mobile though it is, presents a calm and impassive mask. I caught the snap, and I think he caught me catching it. It meant much to me—more even than if he had said in so many words "I've got him." In such encounters one cannot see into one's adversary's mind nor know what he is trying to do, and any indication is like the sight of a buoy in a fog to a mariner. I gathered that the snap indicated relief at my compliance, and that he had been afraid I might balk. That showed me that consent on my part was important—which meant that he saw no possible way of carrying the enterprise to the end we had mapped out unless I stepped into the gap. Then I knew that he would have to agree to my terms, provided they were not too harsh and that I did not too

vehemently insist upon them. It is a cardinal principle of "Standard Oil" never to do anything they decide they won't do, and that which they decide they won't do is what any man on earth says they must do. You may lead "Standard Oil," but you cannot drive it. If at that critical moment I had foreseen all that subsequently occurred, or realized that this copper affair, which was to me a matter of life and death, was to Henry H. Rogers only another device to extort dollars from the public, I should then and there have thrown down the gauntlet and demanded that "Standard Oil" step out into the open and assume all legal responsibility, or have exposed the whole scheme. But my suspicions were suspicions only, and I could not be sure that Mr. Rogers was doing other than discretion warranted, when he desired to have things done in such a way as to allow me to continue to conjure with the magic name "Standard Oil." In other words, wasn't he doing exactly what I myself was engaged upon? I was planning to have him consent to things he was otherwise unwilling to allow, and he, in his turn, was scheming to have the bank and his "Standard Oil" associates pass over things they would be sure to question if presented less adroitly, or if they came from some other quarter. Yet all I was trying to accomplish was honest and best for all. Why might not his intentions be as fair as mine? However, the eye-snap determined me to steer nearer the wind.

"Well and good, Mr. Rogers," I went on. "I will tell the story I know is true and that you know is true, and that you have repeatedly given me your word you would stand by me in telling, but I will only do so in a way I deem safe and fair to myself. Is that agreed?"

He winced a bit. "What do you mean by that?" he said. "What do you mean by a 'way safe and fair' to yourself? You are not suspicious of any of us, are you?"

"Suspicious is not the word, Mr. Rogers. I brought you and Mr. Rockefeller this copper enterprise. We have gone ahead with it upon clearly laid down lines. I have done to the letter all I agreed, and, so far, the enterprise has more than fulfilled my promises. I realize that our success has largely come from our going to the public and openly telling it what we were doing and what we intended to do. Until now, I am the one who has made all the promises, and, legally, up to this point, I am the only one who can be called to account, but it is the fact that for any statement I have made, you and Mr. Rockefeller have been as much responsible as myself, and you as much or more than I have had the benefit which has come from what I have promised. Now we are ready for business with the public, and there must be a clear and distinct understanding with it or it will not part with its money. This understanding can have but one bearing—*that what the public read, we must all be responsible for legally and morally, not some of us, but all of us, you, Mr. Rockefeller, the City Bank, James Stillman, and myself.* For bear in mind it was you and Mr. Rockefeller who changed my plans by substituting companies and properties of which I knew nothing but what you told me. All the things we ought to tell, you say cannot be put into words, because if they are powers beyond us will refuse to allow the enterprise to go through as it must go through. Then the condition must be implied, must be between the lines. You say this is my task, and that I alone can perform it properly. All right—but I will perform it in a way that will hold every one concerned to his legal as well as to his moral responsibility just as it will me who sign it. To save our enterprise I will concede just this much: The advertisements will be so worded as not apparently legally to involve Stillman, William Rockefeller, or the Bank but in reality they will be bound to as strict responsibility as though their signatures were in the place of mine. In doing this I compromise with my conscience, Mr. Rogers, because it is now of paramount importance that our consolidation go through—as important to the thousands of others who have followed us as to ourselves."

"You mean this, Lawson, that you will insist upon having this done in a way that will make every one legally responsible?"

"I mean just that, Mr. Rogers. In what other way can it be done?"

"As all such affairs are arranged—by allowing the public to think for themselves—but steering our end clear of all possible legal entanglements," he replied in a voice half choked with suppressed rage. Now we were both thoroughly aroused, he fairly seething with fury at my rebellion, and I boiling over at his willingness to sacrifice me to his own safety. By this time he was on his feet facing me, and it was evident the tussle would be serious. Still I slowly and coldly asked:

"How can that be done?"

"By *your* taking the responsibility," he as slowly and freezingly answered.

"You mean that *I* shall go ahead and make glowing and generous promises, on the strength of which the

Frenzied Finance

public will put up its money, and that if these promises for any reason are not carried out, I alone shall be the one to face the music? Is that what you mean, Mr. Rogers?"

I held myself together, with closed hands and clinched teeth.

"Just that," he returned. "You are making millions out of this enterprise, and I consider this is one of the places where you earn them."

"Not if every one of the millions you mention were multiplied a thousand times, Mr. Rogers, do I say one word to the public to induce it to part with its money—not a word that will not hold you and Mr. Rockefeller, Stillman, and the City Bank to a full responsibility—not if, on the other hand, I become a pauper."

It was out. I know that the deadly earnestness I felt was in my voice, for though I spoke in a low tone I thought my head would burst until the last word was spoken. We looked at each other—glared is not the word to define that white-hot yet frozen, "another-step-and-I-shoot" look which of all expressions of which the human face is capable is most intense and dangerous. I did not flinch. I did not know what he would do, but I saw my words impressing on his mind the absolute conviction that for once he was face to face with a resolution no power of his could alter. Slowly his anger, his will, seemed to subside, but as they did I was aware intuitively that he had changed tactics and was coming at me from another direction. In an instant his whole being seemed to relax and he dropped into a chair with a sigh of relief as he said:

"All right, Lawson. You've thought it out, I see. You are making a bad mistake, but as your mind is made up, I can do the only thing left to do—call the whole business off for the time being."

I had not served as Mr. Rogers' pike-carrier in vain. Superb actor though he is, I saw his bluff, and quick as a hair-trigger called it.

"Is that your decision, Mr. Rogers?" I asked, almost before the last word was out of his mouth. I did not attempt to shade the "If-it-is-I'm-off" tone of my voice.

He replied slowly and naturally, as though he were taking his decision right off the scales:

"Yes, I think so."

"Then we will call it off for good. I've hung so long by the heels on this whole matter that anything is better than a further wait. I'm for Boston on the next train, and by to-morrow I'll have figured out where we stand."

I started for the door.

"Just a minute." His voice was as indifferent as though no tremendous issue were at stake, for Henry H. Rogers is of the iron-willed breed whom peril never betrays into trepidation. He would throw dice for his life as casually as one of your Wall Street tipsters would for a cigar, and here reputation and millions were in the balance. I knew as well as though I had seen the message telegraphed across his mind that he had said to himself, "It didn't work, I must round to," but I knew my man well enough to realize that a false move now would tip victory back into defeat. I halted. As naturally as though there had been no calculation in the tone of resigned despair which tinged my voice, I said:

"Mr. Rogers, don't let us prolong this talk. You well know what this decision of yours means to me, so let me go where I can think it to a finish."

In an instant Henry H. Rogers was again his virile and commanding self. He jumped to his feet. His words came round and tense, passionately convincing and persuasive.

"Lawson, are you crazy? Would you go back to Boston and smash this business that we have spent years on? Would you sacrifice the millions that are in your grasp? Would you? Would you, I say? You know I would not threaten you, but I ask, would you do this, and at a time when you are all tied and tangled up with us in such a way that you would be bankrupt, literally be a pauper, and all because I insist upon things that conditions over which I have no control compel me to demand?"

Whether he intended to halt or not I never knew, for I let him have my pent-up feelings in eleven words that gave me as much relief as any thousand I could have selected had I a day to do it in:

"As true as there is a God above us, I would!"

CHAPTER XXII. THE RESPONSIBILITY FASTENED

Life's alternatives are seldom labelled. Right is not always white, nor wrong, black. The parting of the ways is oftentimes to the eye no more than the forking of main-travelled roads, and good intentions are no sure guide to the straight path. This, however, was one of those rare crossings at which Fate's red light swung full in view, and in its warning glow I seemed to read the sign:

“Settle Right or Forever Regret.”

Well it was for me and for those thousands who were victimized and robbed later that I heeded the monition, for if in the interests of peace I had allowed myself to be overwhelmed by the imperious will of Henry H. Rogers, I should to-day be as helpless as those others who, coming forward to accuse, are met with “Standard Oil's” crushing rejoinder, “It's a lie—you can't prove it.” I have wondered since if the master of “Standard Oil” also saw the red signal or interpreted its prophetic message. His eyes still met mine in the same deadly, intense stare, but the anger had passed out. Then in an instant the battle was mine. Henry H. Rogers came out of the clouds and with a gesture of his hand waved away all that had passed, and said:

“D—n it, Lawson, you are a most impractical man to do business with, but I suppose you must have your way. Now just tell me—and put it in few and plain words—what is it you intend to do to get this affair through, for we must carry it to a finish at once, although it does seem hard that I must do things I don't want to and which may put me in a bad hole; but let us hope the future will only show that all these precautions were a waste of energies. Bear in mind, though, that whatever is done, must be so arranged that no one but me will know the real condition, for though I have given way, William Rockefeller and Stillman, to say nothing of the others, would throw up the whole affair rather than incur the danger of future litigation and trouble.”

At that moment Mr. Rogers had, I believe, made up his mind to play so fair with the public that there should never arise dissatisfaction with the course of Amalgamated, that is, he had determined to be content with a half brick of gold without retribution or restitution in place of the whole fraught with penalties of exposure and reprobation. At that period his cupidity had not flared into the towers of fire it afterward became, in the smoke and flame of which all undefined dangers were obscured.

“As you will, Mr. Rogers,” I assented; “that part is not my hunt. I should prefer that our associates knew things as *we* do, but as it seems that is impossible, I must be satisfied with knowing that you thoroughly understand the conditions I am going ahead on. Here they are: First, all public notices must bear the names not only of the Amalgamated Company and the City Bank, but of the individuals, Rockefeller, Rogers, and Stillman. As the real story is to be told by me alone, these names will prevent any suspicion the public, particularly Wall Street, would have that there was any lukewarmness or dodging. This means that you and Mr. Rockefeller must be known as officers of the company as well as directors.”

“Now, Lawson, right there, that is impossible—absolutely out of the question. William Rockefeller will under no circumstances take on additional duties of this kind, and whatever the consequences, I cannot persuade him to.”

I saw he meant this, and that we must get around it.

“Let us begin at the beginning, then—the president. You should be president—over the flotation, at least.”

“That is impossible, too, for you know it is settled that Marcus Daly is president. I promised the position to him as a part of the trade. It would be ridiculous for me, who it is known am not a copper expert, to be president of a new copper company in which Marcus Daly is a large owner and is supposed to have a prominent hand. Besides, in certain parts of the country his name will stand much better than mine, and it means much to all miners the world over.”

“All right for president,” I answered. “That settles, then, where you would naturally come in—vice-president; and as vice-president it will be proper to print your name in the advertisement below that of the president.”

He demurred at first, but finally acquiesced, for he had now made up his mind to play out the string. For treasurer and secretary he suggested a brother of Governor Flower's, but I knew that this was now the only place left where the magic name of Rockefeller could be used and I drew his attention to the fact.

Frenzied Finance

“How can we do it, Lawson, when I have told you it is impossible?”

“William Rockefeller has a son, William G. Rockefeller. He's our man for treasurer and secretary. Not one in ten thousand but will think William G. is the senior Rockefeller, so the name is as good for the country as his father's, and in State and Wall streets it is better, for among financiers it is known that William Rockefeller would hesitate longer about putting his son out in the open in an enterprise he did not approve than about getting in himself. So William G. Rockefeller it must be.”

Mr. Rogers did not take kindly to the idea, and I could see it would be quite a task for him to arrange the matter. However, it was necessary, and he undertook the contract. I went on:

“That covers the company. Second, we will print three advertisements—a plain notice of the City Bank, which must be signed not only with the usual 'National City Bank,' but 'James Stillman, President.' This will immediately follow the company's advertisement, which I shall so word that the enormous properties composing the consolidation will be set forth, yet without details of the extent of our holdings in any of them. In its own advertisement offering the stock the City Bank will refer to the advertisement of the Amalgamated as though all particulars had there been given, and I will see that it reads openly and frankly and yet contains nothing that need scare Stillman. Then there will be a third advertisement, signed by myself, in which, in the plainest and strongest terms at my command, I shall tell just what the company is and what it proposes to do.”

“So far all right,” assented Mr. Rogers.

“There is one more thing,” I went on. “It cannot openly be put forward that I am the authorized agent of the Amalgamated Company and the City Bank—well, I must have the equivalent of this. It must be shown by inference. If I insert these three advertisements in the papers and pay for them, and the company pays me for them, it will be proof positive for all time that I acted as the authorized agent of not only the company and the City Bank, but of Marcus Daly, yourself, William Rockefeller's son, and James Stillman, and therefore that whatever my advertisement says is binding upon them. Remember, though, it will be your affair whether you tell them of it or not.”

“You persist, Lawson, that this is necessary?” Mr. Rogers interrogated. “You seem to lose sight of the position I shall be in should anything happen later to reveal to these men with whom I am so closely associated in business that they were binding themselves without their knowledge, and that I was fully aware of the fact.”

[Illustration: LAWSON'S ADVERTISEMENT WHICH APPEARED IN CONJUNCTION WITH AMALGAMATED'S.

=COPPERS.=

=Amalgamated Subscription.=

Owing to the very large number of inquiries (over 3,000 the first day), received and anticipated, as to the best means of securing an allotment of the first issue of the consolidated stock, it is necessary to reply collectively by this advertisement. I advise the purchase of Amalgamated by subscription, because it is, in my opinion, the best opportunity ever offered the public for safe and profitable investment. It is probably the first time in the history of public subscriptions that a stock is worth and can be sold for 50 to 75 per cent. more than the subscription price, and yet will be allotted to each and every subscriber in proportion to his application. This means that every one who makes a bona-fide subscription, large or small, will receive shares at one hundred dollars each that can be sold at once at a large profit.

In my opinion the entire \$75,000,000 is worth and can be sold to-day for from 30 to 60 per cent. more than the subscription price.

First—Because the assets now owned by the Amalgamated

Frenzied Finance

Company are worth from \$100,000,000 to \$125,000,000.

Second—Because the Amalgamated Company is now earning at the rate of 12 to 16 per cent. per annum.

Third—Because it will, from the start and always after, pay 8 per cent. dividends annually.

Fourth—Because the interests actively engaged in its management will make and keep it one of the most conservative and sought-for investments.

Fifth—Because there will be rights attaching to it almost at its beginning that will give to it large profits independent of those accruing from its dividends.

The fact that the above values are now known to some, and will be in the next few days recognized by all, will cause the stock to be largely oversubscribed, but this should deter no one from subscribing, for the reason that, notwithstanding this certainty, those who are engaged in perfecting this great enterprise have decided that instead of a favored few being allotted the entire amount, all shall be treated alike. Captious critics of “Coppers” will probably again cry their sarcastic “philanthropy,” but to the legion of broad-minded investors who have followed and profited by this great industrial revolution, the policy of this liberal treatment will be obvious—the consolidated company is to be many times larger than its present capital indicates; it, in my opinion, will from time to time offer to the investing public large amounts of increased stock for the purpose of obtaining hundreds of millions of cash with which to pay for all the producing copper mines, as it is now obvious to students of affairs financial that this company must in time become the owner of all good mines, because all such mines can be run to better advantage to the consumer of copper, the investor in copper stocks and the present owners, by the Amalgamated Company than by others. This being so it requires no supernaturally bright mind to see the wisdom of a policy that insures a constantly increasing premium for every new issue of stock.

I advise all intending subscribers to send their subscriptions personally or through their banking or brokerage house direct to the National City Bank of New York. While my firm will, for the convenience of its clients, forward subscriptions, I would have it understood that such subscribers will receive the same treatment if they send their applications direct.

My firm will also furnish subscription blanks to those who, through lack of time or otherwise, cannot secure them elsewhere.

All subscribers should bear in mind, if on receiving their allotment they are disappointed with the amount, that their subscription is only reduced in the same ratio as all others, and that they have the pledge from a Board of Directors whose personnel means good faith.

Frenzied Finance

In again advising the purchase of “Amalgamated” I call attention to the names of the men who are to conduct it to a future, and to the fact that from its inception it will surely give a return of over 8 per cent. per annum on its par.

THOMAS W. LAWSON.]

“Absolutely necessary, Mr. Rogers,” I returned without an instant's hesitation. “Now let us run over the situation finally, for I want to relieve your mind of the idea that I am doing anything selfish in insisting on these conditions. When the public subscription is offered, there must be a story of facts to go with it. Some one must make it. The men who should, will not, although they are prepared to reap all the benefits of what the man who will, says. It seems I am that man, and what I say must be what I understand is the exact truth about the enterprise. Well and good. It is essential for the one who assumes this responsibility to do it in such a way that he can for all time show that the men who benefited and upon whose say—so he acted were in every way responsible for what he did. All this is undeniable. There are only two possible considerations that enter into the problem: first, that the facts I am to state are not true; second, that it devolves on me to accept a risk those associated with me will not take. If the first can be maintained, farewell to our enterprise, and get ready for the worst financial scandal Wall Street ever faced. If it's the last—Mr. Rogers, the 'Standard Oil' people are all very strong, but I don't believe any of them would have the nerve to ask me to accept a risk they dared not themselves undertake.”

There was no escaping my conclusion, and unwelcome as the fact was, he saw no further talk would avail, so he snapped:

“Draw up the advertisements you think proper. Have them ready in an hour, and I will in the meantime see William Rockefeller and Stillman and do what is necessary.”

I noted the set of Henry H. Rogers' jaw and the down slant of his eyelid as he uttered these words, and I had no doubt of the compliance of James Stillman and William Rockefeller with whatever demands he chose to propose that day. “Cyclones and thunderbolts! Heaven help these or any others who venture to resist him in this mood,” I inwardly commented, “especially if they are of those with whom he has travelled the 'Standard Oil' blood-trail.” My imagination showed me a picture of 26 Broadway and the National City Bank swaying and shaking like full-blown hollyhocks in a gale.

I had my advertisements ready and was waiting when he returned.

“Lawson,” said he peremptorily, “if your work will pass me you may go ahead with it.”

“You mean you have obtained all the consents necessary?”

[Illustration: INITIAL ADVERTISEMENT OF AMALGAMATED COPPER COMPANY.]

=Amalgamated Copper Co.=

=Capital.....\$75,000,000=

This company is organized under the laws of the State of New Jersey for the purpose of purchasing and operating copper-producing properties. Its capital is \$75,000,000, divided into 750,000 shares of common stock, of the par value of \$100 each. It has no bonds or mortgage debt.

This company has already purchased large interests in Anaconda Copper Company, Parrott Silver and Copper Company, Washoe Copper Company, Colorado Smelting and Mining Company, and other companies and properties.

MARCUS DALY, Pres.,

H. H. ROGERS, Vice-Pres.,

WM. G. ROCKEFELLER, Sec'y and Treas.

NEW YORK, April 28, 1899.

=OFFER FOR PUBLIC SUBSCRIPTIONS.=

Referring to the foregoing statement of the Amalgamated

Frenzied Finance

Copper Company of New Jersey, notice is hereby given that offers for subscription to 750,000 shares of the par value of \$100 each of the stock of the said copper company will be received at the National City Bank of New York, until 12 o'clock noon, Thursday, May 4, 1899, at the rate of \$100 per share.

Subscriptions must be addressed to the said bank and accompanied by a certified check to its order for 5 per cent. of the amount of such subscription, the balance to be payable within 10 days after date of notice of allotment.

Temporary negotiable receipts on payment of sums due on allotment will be issued exchangeable for certificates of stock, as soon as same can be engraved.

In case of oversubscription, allotment will be made pro rata. The right is reserved, however, to reject any subscription.

NEW YORK, April 28, 1899.

NATIONAL CITY BANK OF NEW YORK,

JAMES STILLMAN, President.

=52 WALL STREET, NEW YORK.=]

"I mean that we will waste no more words on this matter. The advertisements you can convince me are right you may have inserted in the papers, and no one will say a word publicly or otherwise. Neither William Rockefeller, his son, Stillman, the Bank nor any officer or director of the Amalgamated Company will talk until after the subscriptions have been closed and the allotments made; not one word but what you say or print will be uttered. Can you ask anything more than that?"

"Not a thing more."

I then laid out the rough copies of what afterward appeared in the papers throughout the country (reproduced on pages 336 and 338).

CHAPTER XXIII. THE FIRST CRIME OF AMALGAMATED

That those of my readers who are not versed in stock affairs may appreciate the unusual character of these announcements, it is proper for me to explain their divergence from the form of the average financial advertisement. It is the invariable custom in all stock subscriptions for the corporation which is being offered for sale, or the bank or bankers assuming responsibility for the proposition, to set forth at length the facts essential to a proper understanding of the enterprise: if a new corporation, its reason for existence and the security offered; if old, its history and the immediate purposes for which additional funds are asked. It is the same in finance as in ordinary business. If you are offering for sale goods which cannot speak for themselves, it is necessary that some one talk for them so those who purchase may know what they are receiving for their money. Under normal circumstances the initial advertisement of the Amalgamated Company would have stated the amount of its capital, its organization, and that the proceeds of the \$75,000,000 of stock offered for sale were to go into its treasury to purchase designated properties. It will be seen from the Amalgamated's advertisement reproduced herewith, that all the information vouchsafed intending investors is mention of its \$75,000,000 capital, that it has no bonds or mortgage debt, and that it has already purchased large interests in the Anaconda and other copper properties. Not a word about indebtedness, equally vital, nor in definition of the extent of the interests owned. It is quite the briefest, most meagre notice of subscription ever placed before the public. Indeed, it is informative and specific only in regard to the officers, who are given extraordinary prominence. Such announcements are usually signed by the president and the secretary and treasurer, or else the names of all the officers and directors are stated, so it is obvious here that the prominent insertion of the vice-president's name is for a purpose. And all Wall Street as well as the general public gathered that "Standard Oil" was so sure of this enterprise that its principal men were anxious to be known as being behind it.

The offer of the National City Bank begins with a reference to "the foregoing statement," as though that really showed the purpose of the sale of stock—leaving the inference that the beneficiary was the Amalgamated Company. Other details—the designation of conditions of subscription, terms, etc., follow the ordinary form. In the matter of oversubscription the offer diverges vitally. Usually it is prescribed that "in case of oversubscription stock will be allotted pro rata and the right is reserved to reject any subscription in whole *or in part*." In preparing the advertisement I purposely left out the "or in part," thereby making it impossible to reject any part of any subscription—in other words, rejection had to be without compromise, so that every subscriber whose subscription was not wholly rejected would stand on equal terms with every other subscriber, as he would receive his exact proportion.

The terms of these advertisements prescribed the conditions under which subscriptions for the stock of the Amalgamated Copper Company must be made to the National City Bank, and bound the bank to accept subscriptions presented in compliance therewith. In fact they constituted a legal contract binding the National City Bank, an institution doing business under the national banking laws of the United States, to allot to every subscriber whose subscription was not rejected in full, his proportionate part of the entire 750,000 shares of the capital stock of the corporation, his proportionate part being the ratio his subscription bore to the entire subscription received at the National City Bank before twelve noon of Thursday, May 4, 1899. On receipt of official notification from the National City Bank that he had been allotted twenty per cent. of his subscription, or one share in every five subscribed for, the subscriber had a right to think he knew that the total subscription to the stock had been five times \$75,000,000—\$375,000,000—or five times 750,000 shares—3,750,000 shares; and that before noon, May 4th, the National City Bank had in hand certified checks to the amount of \$18,750,000. The public, including the shrewdest Wall Streeters, has, since the subscription closed, believed that the subscription totalled the figures given above. Indeed no one has ever suspected anything to the contrary, because it was clear that if the allotment was conducted under conditions other than those contracted for in the advertisement, the National City Bank had laid itself open to a charge of fraud and was liable to each subscriber for the proportion of shares of which he had been deprived.

The actual amount of the subscriptions received on or before noon, May 4, 1899, at the National City

Frenzied Finance

Bank was but \$132,067,500, and the amount of the five per cent. certified checks received in the institution up to noon was only \$6,603,375, or \$5 per share on a total of 1,320,675 shares.

The meaning of this is that every legitimate subscriber—and I except the millions of subscriptions which the bank decided were illegitimate and rejected, as they had a perfect right to do under their contract with the public—was defrauded of two shares of each three to which he was entitled. Before me as I write is the original allotment of the National City Bank to the subscribers, which I propose to print in my second volume as part of this indictment, showing that the figures are exactly as I have stated.

From the beginning of my narrative I have claimed that the frauds committed in connection with Amalgamated could be completely demonstrated from records outside any evidence of mine. The list of subscribers and the most cursory examination by the Government national bank authorities at Washington will furnish all the proof necessary to substantiate the accuracy of my statement here. At this juncture I shall not attempt to sum up the bearing or the consequences of this illegal and dishonest act, but it was one of the main cogs in bringing about the disaster that ensued. The conditions which led to its perpetration are narrated later. In passing I may say that while the formation of the Amalgamated Company by the clerks and office boys (as I have already described it) and the means by which Mr. Rogers and Mr. Rockefeller let in their friends to their appointed “floors” were deceptive and outrageous in their double-dealing, and should be prohibited by law, I knew them to be so commonly practised throughout our American financial centres that it never entered my mind to suggest that they were criminal. The infraction I have just explained, however, is a tangible fraud and a very different proposition.

The two announcements alone would have had but little efficacy in persuading the public to part with its money for Amalgamated stock, but in conjunction with the third advertisement—mine—they proved irresistible. There was nothing equivocal in my announcement. I not only advised the purchase of the stock by subscription on the ground that it was the best opportunity for safe and profitable investment ever offered the people, but asserted that the shares could afterward be sold for fifty to seventy-five per cent. advance on the subscription price, so that every one who obtained a share of Amalgamated for \$100 was buying something which would subsequently be worth \$150 to \$200. Further I promised that all the subscribers should be treated alike and gave it as my opinion that the whole 750,000 shares could at the time the public was reading my statement be sold for thirty to sixty per cent. more than the subscription price, and declared unqualifiedly that the assets owned by the Amalgamated Company were worth from one hundred to one hundred and twenty-five millions; that the company was then earning from twelve to sixteen per cent. per annum, and that from the start and ever afterward it would pay eight per cent. dividends annually.

As I have previously stated, I had no personal knowledge of the conditions in the several properties comprising the first section of Amalgamated, but the facts and figures which were put forward in this advertisement were supplied me by Henry H. Rogers and through him by Marcus Daly, who vouched for them, and furthermore the three advertisements were carefully read and scanned by Mr. Rogers himself. If I had not believed them to be true I should not have put them forward nor allowed them to be published, but I accepted them as the public and the financiers did when they read them over the signature of the known agent and mouthpiece for Amalgamated and “Standard Oil,” myself. I showed that I believed them by putting my signature to them. I was and am personally responsible for the truth of these statements, but more so are H. H. Rogers, William G. Rockefeller, the National City Bank, and the Amalgamated Company. Even if it had not been a matter of public knowledge that I was the agent of the City Bank and the Amalgamated Company and the “Standard Oil” party; if it had not been a fact, as it was, that I inserted these three advertisements by agreement with those who were responsible for them and who were doing business directly with the public; if it had not been a fact that these people through me paid for these advertisements, thereby directly showing I was their authorized agent; if I had not taken the precaution to see that such payment was made by a check signed by William G. Rockefeller, treasurer of the Amalgamated Company, and yet made to the order of the newspaper people and handed by me to them, thereby clinching my agency, nevertheless the advertisement itself would have made it clear that I was the full and authorized agent, or it would have been stopped there and then and the bank and the company would have refused to proceed further, for I say:

“I advise all intending subscribers to send their subscriptions personally or through their banking or

Frenzied Finance

brokerage house direct to the National City Bank of New York. While my firm will, for the convenience of its clients, forward subscriptions, I would have it understood that such subscribers will receive the same treatment if they send their applications direct.

“My firm will also furnish subscription blanks to those who, through lack of time or otherwise, cannot secure them elsewhere.”

I think I have made clear so far the conditions under which these vital statements were put forward and have lodged the legal responsibility for them where it belongs. The National City Bank is plainly liable for violation of the published stipulations under which subscriptions were allotted, and it is common knowledge that the stock was allotted one share in five subscribed for, while the original list of subscriptions shows that the total allotment was less than twenty-seven millions and the full subscription less than double the amount to be allotted.

It is common knowledge that the dividends were cut to two per cent., and are at the present time, the best ever known in the copper business, only four per cent., and that they have been cut under eight per cent., so they either could not have been twelve to sixteen per cent. at the time it was stated they were, or there has been great fraud committed since. As we are dealing with the greatest national bank in the country, it will be simple for the Government and banking officials at Washington instantly to disprove my statements if they are false; otherwise they must take action, civil and criminal, against the National City Bank.

CHAPTER XXIV. THE SUBSCRIPTION OPENS

When Mr. Rogers on returning from his conference with James Stillman and William Rockefeller had given the word that the course was clear, I was conscious of the necessity of clinching the decision so that there could be no further backing and filling. I told Mr. Rogers so and suggested that we insert at once the advertisement of the City Bank and the Amalgamated Company in the New York papers, and that the following day I have arrangements concluded with my advertising agents for their publication throughout the country. The announcements appeared in New York and the following day they were spread before the public in the great papers of this country and England. Thus was Amalgamated launched.

With the appearance of these long anticipated announcements the pent-up copper excitement burst forth, and an avalanche of queries began to pour in upon us all. The interest was tremendous, and I felt certain we were to reap a greater success than I had dared dream of. The days preceding the opening of the subscription were taken up in answering a thousand questions regarding conditions, in supervising the advertising, and steering "Coppers" in the market. On the eve of the opening day Mr. Rogers said to me:

"Lawson, at last we are to know how well your work has been done. The time of talk ends to-night and after that we'll have facts to go upon. What do you place the subscription at?"

"I'll stake my prospective profits that when the books close there will be from forty to fifty millions subscribed and that when your 'Standard Oil' experts have analyzed the subscriptions they will tell you that three-quarters of all have come from the country—from my campaign—and not over a quarter from the 'Standard Oil's' following and Wall Street," I answered. "Then you and Mr. Rockefeller will admit I was right when I told you that the public will respond to open and fair treatment when it is deaf and blind to stock trickery and manipulation."

"I do hope you are right," returned Mr. Rogers, in a quiet, earnest, I-pray-it-may-really-be-so tone, "but if it is from six to ten millions we will all take off our hats to you."

This defined the expectation of the man who above all others knew most of what had been done to mature and perfect the venture. I realized that none of the parties to the enterprise anticipated an extraordinary success, and though I felt more confident than the others, I was far from cognizant of the actual feeling abroad among the people. Monday morning I got an inkling of what was coming. My office in Boston was the centre of a dense mass of people from morning until night, and round the National City Bank in New York crowds were gathered watching the throng fight its way through the doors. Inside, a long line of men and women headed for the subscription desk stood laden with checks and currency, patiently awaiting their turn, and every mail brought sacks of orders. The big banking and brokerage offices in the financial districts of Boston, Philadelphia, and New York were packed with customers asking to be shown the way to secure as much as possible of this easy money, while the wires buzzed with messages and bids from the far West and from Europe. The excitement knew no bounds. In my rooms at the Waldorf I sat beside the telephone getting rapid reports from my lieutenants. From 26 Broadway I learned of the progress of events at the bank, and was impressed with the fact that the prevailing excitement and the strain were beginning to affect even the nickel-steel equilibrium of Mr. Rogers himself. Indeed, he made no attempt to disguise his uneasiness, and told me that William Rockefeller was in much the same condition. It was the first venture of size these two strong wheelmen of "Standard Oil" had undertaken without the co-operation of John D. Rockefeller, and it appeared that he was considerably worked up over the public hubbub, and so opposed to the whole Amalgamated affair that nothing short of a great success could justify his subordinates' temerity. However one looked at the situation, it was evident that Henry H. Rogers and William Rockefeller were playing for the stake of their lives, though how great the stake was no one at that time guessed. Since then they have steadily forged ahead, both in riches and in influence, until to-day they have actually supplanted John D. Rockefeller in the kingship of finance. At that day, though his had always been the master-mind of "Standard Oil," I don't believe Mr. Rogers was worth, all told, over twelve to fifteen millions, while to-day he is probably a hundred and fifty times a millionaire.

It must be remembered that there was good cause for trepidation over this venture, for though the stock

Frenzied Finance

markets buzzed with “Coppers” it was all guesswork as to how far the public would go with us. The question was, What would they do now that our stock was within their reach? It was a tremendous proposition we had put forth, for remember this was before the period of the great trustifications, and ten to twenty millions figured as the limit of large flotations. Even these were of well-known properties and invariably were offered below par. To come into the open, offering at \$100 a share a brand-new stock capitalized at \$75,000,000, was breaking the record, and we might well wonder what was before us.

So far as man could do I had safeguarded the public and my own reputation, and believed that the assurances I had secured eliminated all opportunities of fleecing investors. Mr. Rogers and Mr. Rockefeller had each pledged me his solemn word, under no circumstances to sell to subscribers over five million dollars of the stock, and to place at my disposal the five millions cash received, to use in the open market for the purpose of protecting the stock so that it should never decline below par. That this promise should be kept was of the utmost consequence. While “Standard Oil” held the large majority of the Amalgamated stock and the public but a small minority, there was no danger of the latter being slaughtered, whereas if the public was loaded up with stock at \$100 per share, it would be profitable for Rogers, Rockefeller, and Stillman to practise the method I was fast beginning to see was their favorite device for accumulating wealth—selling stock and then dropping its price and taking it away from its holders at twenty-five to fifty per cent. below what they had purchased it at. If my plan of guarding against this possibility were adhered to, I knew that there would be such a demand for the shares in the open market after the allotment that when the second section of seventy-five or one hundred millions came to be offered, it would be even more eagerly sought than the first. So with the third and other sections contemplated, until in time the whole stock would be distributed among the investors of the world, and assuming that part of our enormous profits would always be used to keep up its market price, there could be no possible decline. Thus Amalgamated, like “Standard Oil” or a Government bond, must always be worth more than par, first because there would be value to justify it, and second because its holders would have absolute confidence that the security could always be sold for as much or more than they had paid for it.

So far, I had carefully refrained from discussing with Mr. Rogers how we should go about securing our part of the subscription. I had not forgotten it. Indeed, I had it well in mind and was ready to enter upon the matter when it came up. An iron-bound contract held the Amalgamated Company and the National City Bank over the signatures of a Rogers, a Rockefeller, and a Stillman to allow the public to subscribe for \$75,000,000 of stock, and the terms were that every subscription must be in the bank at noon, May 4th, and that each subscription must be accompanied by a certified check of \$5 for every share applied for. *As we had agreed that the public should be sold but five millions of the stock, that meant that we proposed to retain seventy millions of it ourselves, but to obtain this allotment legally, we must comply with the conditions of the advertisement exactly as outsiders had. So it was necessary that we have a bid in before noon on Thursday for our seventy millions, accompanied by a check for \$3,500,000, which would secure us our quota provided the public subscription was no more than five millions.* If the public subscription ran over five millions, then the bank must throw out all additional subscriptions over that amount, for the advertised contract specifically declared that all accepted subscriptions would be allowed pro rata. By my suppression of the usual condition that the Bank reserve the right to reject any part of any subscription, it was absolutely precluded from the common method of dealing with such an emergency and so could not reject *parts* of subscriptions. There was a way out—without practising fraud. If at noon on Thursday the public had subscribed ten or fifteen millions then the insiders must put in bids of \$140,000,000 to \$210,000,000, in which event the entire subscription would be divided by allotting each subscriber one share for every two or three subscribed.

I presumed then that some such method would be followed. It surprised me at the time that Mr. Rogers should have given so little attention to so vital a part of our programme, for he is in the habit of thoughtfully thumbing over just such details to avoid slip-ups, but the idea that our subscription would run into unwieldy amounts never occurred to him, and he let things go, trusting to luck and “Standard Oil’s” motto “To Hell with the people anyway,” to adjust the matter at the last moment. To-day Henry H. Rogers, William Rockefeller, and James Stillman would each give five millions from his private fortune if this seemingly unimportant detail had then been provided for. Its neglect is the bloody finger-print on the knife-handle of the murderer, it is the burglar’s footprint in the snow. In this case it furnishes the evidence of the crime of Amalgamated.

CHAPTER XXV. DOLLAR HYDROPHOBIA

Our first fears of failure were soon succeeded by apprehensions of a different nature. By Tuesday noon it was evident that the flotation would far exceed the low expectations of Rogers and Rockefeller, and I knew that if the people's interest continued to develop at the rate the subscriptions indicated, the totals would be far ahead of my own most sanguine anticipations. Every hour the excitement intensified. The crowds on the street and in the brokers' offices; the rush of investors to the City Bank—all demonstrated a feverish condition of the public mind, a state of unrest that fills the conservative banker with dread lest something happen to precipitate a disorder and a panic. The acute sensitiveness of a body of investors to extraneous influence, however slight, is familiar to any one who has had to do with market manipulation. In a theatre or church one strenuous spirit can quell a tumult with some ringing assurance, but long before the leader of a financial movement has got word to his following, wide-spread over the country, it has taken alarm, the rout has begun, and the field is strewn with corpses. A great financial excitement, like a rocket, should soar triumphantly into the air, leaving behind it a comet-like trail of glory, climaxing in a shower of gold; diverted from its course, it runs a mad, brief, tragic career along the earth, spreading ruin and disaster in its path.

There comes a time when all great enterprises must emerge from the nursery and be exposed to the sunlight and the breezes of every day. We were crossing the ominous tract which divides the trenches of preparation from the sheltering fortress of attainment, and the hosts of failure were rallied to dispute our passage.

At this juncture any accident to our venture might affect the whole American business fabric, and no one realized the danger of the situation better than Mr. Rogers and myself. During the anxious days that were passing we canvassed the dire possibilities that the situation contained, just as children tell each other ghost stories when left alone in the darkness of the night. The great catastrophes of finance, we remembered, had all been born of the unexpected—of unforeseen contingencies—far beyond the range of human foresight. Who knew but that the hours were pregnant with some terrible potentiality—the assassination of a king or president, a Chicago or Boston fire, an epidemic of cholera, a belligerent message from the President, such as Cleveland's Venezuela ultimatum, a great bank defalcation, the suicide of an important operator, the death of an eminent capitalist—a breath of one of these world cyclones would crumble our structure into the dust and take along with it the neighboring edifices on both sides of the street. There were also the hidden possibilities of betrayal, of treachery, for we knew that scores of Wall Street's most ingenious minds were bent on unravelling and exposing the secret threads of our enterprise.

On Wednesday morning soon after ten o'clock Mr. Rogers, on his way downtown, came to the Waldorf. He was plainly excited.

"Lawson," he said, "this is something unheard of, unprecedented. The bank is being buried under subscriptions. Stillman says he is adding scores of clerks, but that he cannot possibly keep pace with the subscriptions. Mr. Rockefeller is very nervous, and I must confess to feeling a bit of 'rattle' myself. It now looks as though the total would run into fabulous figures. The Lewisohns are being swamped with orders from Europe. They alone will probably put in more than ten millions. Wall Street has lost its head entirely, and our people at 26 Broadway are coming in asking advice and doubling and trebling their subscriptions. If we don't keep our heads something bad may happen, for it looks now as though the cash the subscription is tying up would make a money-pinch. This affair must not be allowed to run away with us. What do your reports from Boston and the country show?"

"The same as yours. The people have simply gone wild. Calls come in ceaselessly to me from Wall Street men. The hotel is so full of brokers from out of town that they are placing cots in the big rooms. I went down into the office just now to talk to them and was nearly mobbed. Already they are talking of a premium of \$40 to \$60 per share, but if we keep to the line we have laid down, I don't think we need fear bad consequences."

We discussed other aspects of the affair, the intense interest developed in Europe, and the effect of the excitement on the price of the metal. As he started to go down to his office, Mr. Rogers said, as though by way of an after-thought:

Frenzied Finance

“Lawson, if the people are so hungry, why should we not take some advantage of it?”

The suggestion, with all it implied, stunned me for a second.

“What do you mean, Mr. Rogers? Take advantage—how?”

“Would it not be well to let the subscribers have more than the amount we agreed? Why not take more of this money than five millions?”

This was out of a clear sky, for there had not been the slightest suggestion of a change of programme and I had rested in the certainty that our plan insured the safety of all who had gone in on my say—so. I choked down my excitement.

“Good God, Mr. Rogers, are you mad?” I exclaimed. “Don't let us depart a hair from what we all in our cool moments decided was best. We are in the field now. It would be sure ruin to try any new schemes at this moment.”

“You are rattled yourself, Lawson. There's no need for excitement. I merely offered the suggestion. Everything is going well,” he reassured me, but the picture his words conjured before my mind disturbed me all day. That he would dare do what he had suggested I did not credit, for the assurances I had were too solemn to allow me to believe such treachery could be meditated. Nevertheless I brooded over the matter, and late in the afternoon ran down to 26 Broadway, ostensibly to hear the latest news from the bank, but really to try if I could not look into Mr. Rogers' head and see if the imps I had sighted early in the day were still there.

Mr. Rogers was over with Stillman at the bank. In half an hour he came in, and the excitement he labored under was plainly evident in his face.

“Lawson,” he said, “no one has ever seen anything like this before. Stillman is bewildered. He says it looks as though by to-morrow there will be a mob around the bank doors, and if between now and then anything unusual should happen, there'll be the devil to pay sure. I tell you I'm so tired out that I'm going home now to rest up.”

Together we went uptown on the Elevated, and when I left him at Thirty-third Street to cross over to my hotel, somehow the dark forebodings of the morning had been lulled by his frank geniality and carried away by his enthusiastic rejoicings in the success of our enterprise. The picture of that soft spring evening hangs in my memory's gallery—the declining sun seen through a long perspective of gilded brick and brownstone façades, the heavy rumble of trains, the clamor of newsboys crying last editions, the packed cable-cars slowly threading their way amid the hurrying crowds of clerks and shop girls streaming homeward, the cabs swinging in and out of the throng, through whose windows I caught glimpses of jewels on bare shoulders, light silks, and sweeping plumes—the butterflies of fashion or folly hurrying out on their evening trysts. Broadway, with its hundreds of sights and sounds, was before me in the hour of its transformation, the street lamps breaking into incandescence, and the huge electric signs beginning to glare above the theatre entrances. By the time I reached the Waldorf, that high abode of Yankee royalty, the kinks and curlicues were so far ironed from my nerves and brain that I had little doubt of my ability to take a fall out of Fate in whatever sort of collar-and-elbow tussle she might designate. In this mood I swung into the huge hotel through the carriage entrance on Thirty-fourth Street, eager to forget myself amid the rapt concourse of dollar worshippers, preening themselves against the plush, onyx, and gildings of the Astor caravansary. I seemed to see in the mirrors, on the walls, on the buttons of the lackeys' livery, in the patterns of the rugs, inscribed on the tessellated floors and painted on the lofty ceilings, dazzling and glittering, the universal crest of the twisted S with its two upright bars.

Dollars, dollars, dollars.

Through the office I pushed, my path disputed by the hosts of Croesus in ambush for market information. Colonels and generals of the almighty-dollar army were on either flank of me, and the air was thick with the echo and the rumor of millions. At last I found myself in the high and splendid room, with its tall windows elaborately curtained with velvet, its floor space studded with small tables, where after four o'clock any afternoon, the year round, you will find the active Wall Street contingent busily discussing the day's doings and plotting good or evil for the morrow. There they all were, that eventful evening, in parties of seven or eight clustered at the little tables, and as I entered a vigorous hail caught my ear and again I found myself surrounded.

“Sit down a minute, Lawson,” said ex-Congressman Jefferson M. Levy—“Jeff Levy” in Wall

Frenzied Finance

Street—"and tell us about Amalgamated. I suppose there's not a chance to get what one wants unless one subscribes for five or ten times more than one needs, but if you say that's straight, I'll put in another subscription for ——."

In the group were sitting "Harry" Weil, who time and again has tied tin cans to Wall Street's tail; big, bluff, honest "Billy" Oliver, whose "I'll take ten thousand more" is as familiar to Stock Exchange members as the sound of the gong; and little "Jakey" Field, most audacious and resourceful of floor operators, graduated but a few years ago from the ranks of Wall Street's errand boys—"Jakey" Field, who is able single-handed to turn a "bear" market in a rout by "bidding 'em up all round the room five thousand at a crack"—which means he dares buy one hundred thousand shares off the reel in a demoralized market when every one is selling, thus standing to make or lose a million or two on his judgment.

They listened, breathless, while I poured out the story of the terrific rush of Amalgamated subscribers. Another group hailed me and I recounted the same story. So it went all over the busy assemblage—"dollars, dollars, dollars," how to get them, how to get them quick. The money talk ebbed and flowed; the chink of dollars echoed in the rattle of china, in the tinkling of glasses, in the laughs and salutations, in the shuffle of feet. It was the one word, the single theme, the alpha and omega of all these men of talent and virility who accorded me recognition as one of themselves and assumed that I, too, was crucified to the two bars on the snaky S; the whole thing was so interesting that I lost sight of the terrible seriousness of it, and I chuckled as one does when one sits on the cool grass under the apple-trees in summer and watches myriads of ants hustling and jostling and bumping over each other to get away with what to humans is but a tiny grain of dirt.

As I arose to go at last, the head waiter came forward and led me into a corner, where his assistant and the chef awaited me. All with tremendous earnestness asked, "Is it safe, Mr. Lawson, for us to put our savings in Amalgamated?" They took my breath away by telling me they proposed to subscribe for one thousand, five hundred, and two hundred shares each, \$100,000, \$50,000, and \$20,000 worth, if I but said the word.

"*Dollars, dollars, dollars*" beat a tattoo on my ear-drums as the rain used to on the roof at the old farmhouse.

A moment later Manager Thomas of the great hotel slipped up to me. "I'm in for a thousand or two, if you say the word," he whispered. At dinner my old waiter, who I would have sworn did not know a stock certificate from a dog license, bent over respectfully to tell me that twenty of the boys had chipped in and desired me to take their thousand dollars and put it up for two hundred shares—\$20,000 worth more. Room Clerk Palmer called over to me as I went by his desk a moment later to say he was going in for three hundred shares if it broke him. And so it went—bell-boys, chambermaids, valets, elevator men, all begging an interview, and all with the same request—"Would I not put their savings into this magic money-maker?"

All were friends or protégés of mine, these managers, clerks, stewards, and waiters. Their money was more sacred to me than my own. I had been instrumental in bringing many of them up to the palace of American dollar royalty from the old Brunswick, and I would rather have lost a finger any day than have jeopardized their savings. For all of them I had but one answer: "Go your limit."

I looked over the memoranda and telegrams piled high on the table in my room, all recording the whirlwind sweep of this tremendous copper movement that I had set a-booming.

"*Dollars, dollars, dollars.*"

Requests from friends for some of the easy money I was dispensing to the public, appeals from old associates for special allotments of the subscription, urgent petitions from capitalists and bankers with whom I had business relations that their bids for shares should have preference, perfumed notes on tinted paper in feminine handwriting begging aid, advice, my influence, on a hundred specious pleas. It seemed to me that all the world was in a conspiracy of dollars and I the one object of its plotting. For a moment there overcame me a sickening disgust at this universal greed, at this all-absorbing passion for gold which my momentary pre-eminence revealed to my view. Then sanity asserted itself, and I remembered that if there was a conspiracy I was its ringleader, that I myself for months past had thought intensely of nothing but dollars. Why, then, should I resent the eager desires of others to attach to their own bank accounts some of the money which I was proclaiming from the housetops any one who desired might have for the asking? Many of these men, moreover, who sought my assurance of the safety of their little ventures, had earned the private word by thoughtful service and friendly attentions. Dollars were food and drink and fine raiment; were music, pictures,

Frenzied Finance

and theatres; were horses and dogs; were green fields, blossoming trees, and the open air of heaven; were liberty, release from sordid cares, from servitude—and why should I, who had helped myself in bountiful measure to the good things in life's cornucopia, feel superior when confronted by the lusts I myself had been instrumental in arousing? I laughed at my egregious virtue and dropped off to sleep.

CHAPTER XXVI. DEVILTRY AFOOT

Thursday, May 4, 1899, dawned as fair a spring morning as ever set off sacrificial rite or triumphal jubilee—a day of buoyant, delicious airs which set the blood throbbing in the veins and ambition thrilling in the heart—a day for action, achievement, for wild gallops along country lanes, for swift motion on land or water. I looked out of my lofty parlor window far up Fifth Avenue's long vista of mansions and palaces to where the sunlight glittered on the tender verdancy of Central Park. A trickle of cabs and carriages headed southward already had begun the descent to Wall Street. Almost the first call over the telephone came from Mr. Rogers, asking for the morning's news. I told him there was not a cloud on our sky, not a single breeze but blew from the right quarter to fill our sails. "And what were my movements?" To stick to my rooms right handy for anything. Was there a sinister thought, I wonder, behind the "Good, I agree with you," that came back from him in his heartiest tones? "I will look after things down—town and we can keep each other posted at near intervals."

It was as busy a forenoon as man ever lived through. My Boston wire kept up a constant ringing; Chicago, Philadelphia, and other long distance points showered in messages. A direct wire to Wall Street informed me of the progress of events in the financial maelstrom. All went merrily and well. It was nearing noon when a lull came; I was sitting back in my chair enjoying the sudden cessation of clatter and buzzing, thinking that after all my forebodings our ship was headed right for harbor and in a few moments would be across the bar and into smooth water, when a sharp ring at the telephone summoned me back to attention. 'Twas from 26 Broadway, from whom it doesn't matter for the purpose of this story. Suffice it to say that it was from one who, because of past acts of mine, would make any sacrifice to warn me of danger. Only a few words, for he who sends secret messages from the mysterious depths of 26 Broadway, even to dwellers on its threshold, is wise in remembering that brevity is the essence of safety—but were few words ever charged with such damnable import? This is what I heard:

"Mr. Stillman has just left Mr. Rogers and there is deviltry afoot. You cannot get to him any too quick." "One word of its nature?" I whispered back. "They are going to grab more than five millions of the subscription money."

I hung up the receiver. The face of my world had changed. To choke back the passion of fury that rose in my throat I went over to the open window and looked out at the brilliant world below, at the procession of pleasure carriages rolling up and down the Avenue, the sunlight flashing from gold-mounted harness and shining on the sleek, polished flanks of splendid horses. A gay rumble of traffic, the murmur of voices, the clangor of street-car bells were borne in to me on the mellow air. But for me the light had fled and the May world was black and freezing cold.

The grim agony of that moment's silence I shall never forget. I jumped for the door; a second's delay to tell my secretary to catch me with any important messages at Mr. Rogers' office, and I was flying down Fifth Avenue through Washington Square, and down the back streets my cabby knew so well how to make time on. When the recording angel calls off page after page of my life—book and comes to the black one covering that ride, I fear 'twill be no easy task excusing the murderous passion that filled my heart and the poison-steeped curses my lips involuntarily formed. After an eternity I was at 26 Broadway. I flew to the elevator, was on the eleventh floor in an instant, bolted by Fred, the colored usher who guards Mr. Rogers' sanctum, and strode, without knock or announcement, into the large private office beyond. Mr. Rogers was alone with his secretary, who at my first words shot out of the room. He was bending over a stack of papers, and as I landed at his desk he looked up quickly, and in a surprised way asked:

"What does this mean, Lawson?"

No one ever enters Mr. Rogers' room without his permission.

"It means that I have just learned that you and Stillman have decided to break your solemn promise to me." I tried to control myself, but the seethe of rage almost choked me. "It means that you have decided to take more of that subscription money than the five millions we agreed upon, and that means hell."

Mr. Rogers stood up, his jaws set as in their last hold, and, recognizing the crisis, he met me, not with the

Frenzied Finance

fierce anger I half expected and hoped he would show, but with quiet earnestness.

“Stop just there, Lawson—remember you are in my office. Who gave you this tale?”

“Never mind. Is it true? Are you going to break your promise to me? Do you intend to allot the public more than five millions?”

He hesitated only a second. Just a second, but it seemed an age; then slowly and calmly: “Yes, it has been decided that considering the tremendous number and amounts of the subscription it will be best to give them more.”

“How much more?” I shouted, for I was beside myself.

“Ten millions in all,” he slowly answered.

“Who has decided?”

“Every one, Mr. Rockefeller, Stillman, all of us.”

“All of us? Have *I* been consulted? Have *I* decided? Have *I* consented to the breaking of your word, Mr. Rockefeller's word? What have Stillman and the rest to say about this? What have they to do with the promises I have made the people? I have been trapped just as all the others you and I have dealt with have been trapped. I see it all now. Trapped, trapped until now it is too late for me even to save my reputation. To think I should have been fool enough to allow myself to be made a stool-pigeon for 'Standard Oil,' and all because I took your word.”

My rage was exhausted, and then, heartbroken, I turned and plead, plead for fair treatment, for an honest deal for my friends and associates—plead for my good name in his keeping—plead as I never before plead to any man. I had lost control of myself—begged as no man should beg another even for life, though the things I sought were more than life. He calmly awaited the end of my feverish, broken petition; then he went to work as the expert diamond cutter goes at a crystal. He focussed my position, twisted and turned my arguments, chipped and split my reasoning, smoothed off the corners, and then polished up the subject so that it might retain its old-time lustre for the bedazzlement of the customer whose favorable decision he meant to have.

As ever, Mr. Rogers' arguments were plausible and intelligent. The subscriptions were coming in at such a rate it would be dangerous to allot as little as five millions; there might be talk, and an investigation which would so affect the market later that we could have no second section. Then where should we be with our millions of Butte, Montana, and other Boston stocks? And where would our friends be—and the public? On and on he spun, lulling my fagged brain with his specious arguments until the change of plan seemed robbed of its poison and I swallowed it.

“Lawson,” he concluded, “every dollar of the additional five millions will be kept intact and, with the first five millions, will be at all times behind the price, and as you are going to have the handling of it how can there be any wrong or any more danger because of it than if it were only five millions?”

I gave in, agreed to go back to the Waldorf and take hold of the lever again. I left him, driving uptown by way of Broad and Wall streets so I might see the crowds outside the Stock Exchange and in front of James Stillman's money trap. By the time I reached the hotel I had recovered some of my optimism, and went to work to catch up with the mail and messages accumulated in my absence. At three o'clock I called up Mr. Rogers. He was very jubilant. At the stroke of twelve, he told me, it required four big policemen to close the bank doors in the faces of hundreds of belated subscribers; that it had been decided that those inside the building were legally entitled to pass in their subscriptions and at that moment they were still doing so. Sacks of mail still awaited opening; it would be well toward midnight before the last of the subscriptions were tabulated. Stillman was making a tremendous effort to get at an approximate statement in time for me to deal it out to the newspapers before they went to press at midnight.

“How does it look to Stillman now?” I asked.

“He cannot tell much about it yet,” Mr. Rogers replied, “although he can see far enough ahead to be sure even your estimate was too low. It will be at least fifty millions.”

“And about our big subscription—have you and Mr. Rockefeller put it in yet?” I asked, and how I strained for his answer! I well knew they had not done so, knew they would think it safe to wait until the final tally to see just how much they must put in to get their \$65,000,000, which would thus leave the public \$10,000,000.

“Not yet,” he returned. “It's all right, but we can do nothing till Stillman gives us the total. He says there are millions and millions of such a nature that he can easily throw them out. At four o'clock we will have a

Frenzied Finance

meeting and figure out the best way to fix this matter up.”

He saw no danger spot. I felt anyway his error was beyond correction now. I told him I would be at his office by five, so that we could arrange how much the press should have of our affair.

CHAPTER XXVII. THE BLACK FLAG HOISTED

It was a little after five when I reached 26 Broadway—my second visit that day. Mr. Rogers was still at the bank. Half an hour later he entered and threw himself wearily into a chair.

“Lawson, this is a fitting climax for all the stories you have been telling Mr. Rockefeller and myself and the public for the past year about 'Coppers.' I have talked with the Lewisohns, Governor Flower, Morgan, and many others, and I have just come from an hour with Stillman and we are all agreed this Amalgamated subscription is the greatest accomplishment in finance. It is truly marvellous. The bank is literally buried in money, and as near as we can make it out, the stock to be delivered when allotted is actually selling at forty to fifty dollars over the subscription price. The job is done, and you and I have good reason to congratulate each other.”

“I am not so sure, Mr. Rogers, that we should, right now. There's lots of work ahead, and we may strike big snags yet,” I began. He interrupted impatiently:

“Oh, no, you're wrong, Lawson! We have the money safely housed at the bank. Nothing can now turn it into failure.”

There was a new note in his voice as he spoke. Tired though he was, I detected a sharpness that seemed to indicate at once a relief and an indifference which said plainer than words: “I am now beyond all your power to hurt or harm me.” I went on:

“I don't want to bring up any new things to-day, for you must be tired out, Mr. Rogers, but surely you are taking into consideration that unless everything is steered carefully to-morrow and for some time to come, we may have a crash in the market which will throw back on our hands the ten millions of stock, and it might take us years to bring out the other section. Don't lose sight of the fact that the people are all expecting to see fifty or one hundred points profit to-morrow on whatever stock they secure.”

As I talked I saw that he was getting impatient, irritated, angry, that he wanted to hear of no more unfavorable things.

“Good Lord, Lawson, it is about time for you to let up on your croaking about what may happen. You have done a big thing and you have been paid handsomely; you have made millions, and we have just now decided that you are entitled to a good rest. Governor Flower has agreed to take charge of the market end and he is amply able to keep us out of all trouble in that direction.”

A cold chill struck into my heart and crept over my whole being. I looked straight at him and he gave me back the look with a defiance which plainly said that we might as well have it out now as any other time.

“Mr. Rockefeller and myself have tried to play fair with you, Lawson, and we think we have been generous, but at times you have been almost intolerable. The only way you know how to do things is to do them your own way, and we cannot do business except in our way. This morning you kicked up a disturbance because we decided to adjust ourselves to conditions as they arose. I did tell you five millions would be all we would sell, but when we agreed to that we had no idea the subscription would be so large. Since then we have got far enough to see that the subscription will run even beyond fifty millions, and you may as well hear now that in consequence it has been decided by every one interested with the exception of yourself to raise it still another five millions, that is, fifteen millions instead of ten, and I don't want to go through any more scenes about broken promises and what the people will think, either. The people have gone into this thing with their eyes wide open; we are giving them good value; you are in no way their guardian, and you are not going to run this affair any more than others who are interested. You may as well make up your mind to it right now.”

He let himself go as he talked, breathing fire and defiance, but I cared nothing for all the terrors of his anger. A blind fury seized me—I don't believe there was ever such a scene before at 26 Broadway, and I think it has had but one parallel since, when Mr. Rogers and myself again had it out over another matter. This time there were no pleas or petitions. I denounced, demanded, threatened. He had straight and strong my version of the vampire history of “Standard Oil,” and also in rough, crude terms my opinion of his trickery and double-dealing. My voice was raised. I had lost all thought of what his people in the outer office would think. As I went on he wilted and tried to stop me, for I had shown him, until he knew it was so, that nothing but my

death before I left the building would prevent me from taking the whole miserable affair, first to the newspapers, and then to the courts. I proved to him that I would have injunctions against Stillman, the National City Bank, and every one in interest, before the allotment could be made. Gradually his rage subsided and he broke down—not as other men break down, but as much as it is possible for his stern nature to give way. We remained there until seven o'clock. The building was as still as a set mouse-trap, and he strove with me. Such action, he demonstrated, would precipitate a panic. His argument was perfect in its logic.

“Not one man in a million, Lawson, will agree with you that you are justified in bringing about all this disaster simply because you think that we are taking too much of the cash that has been voluntarily paid in by people well able to attend to their own affairs. You must remember once this scandal and trouble are public they never can be smothered. There can be no more consolidation, no more copper boom in your lifetime and mine, and when the collapse comes every one will look for the victim, and that victim will be you. Even your best friend will say if you were going to turn informer you should have been smart enough to have discovered your mare's nest before you let it grow so big. Look at it, Lawson, look at it, and in the name of everything that is reasonable get back your senses.”

My readers must remember that the Henry H. Rogers I am portraying here is no ordinary man, but the strongest, most acute, and most persuasive human being that in the thirty-five active years of my life I have encountered. And on me all the magic of his wonderful individuality, all the resources of his fertile mind, all the histrionic power of his dramatic personality were concentrated. His logic was resistless. As he spun the web of his argument my position seemed hopeless; even more forcible than his reasoning was the graphic recital of how both increases had been made. His eyes watered as he spoke. They were not his proposals, but Stillman's and the others' who had been let in on the several floors, but to whom he had never explained my rights nor my position in the enterprise.

“The truth is, Lawson,” he said—“and I'll not mince matters further: From the beginning I have done business with you on a basis entirely different from that on which it is our rule to deal with agents or associates. At the start I expected that you would, as all others have done, fall into our ways. Instead, you have grown more stubborn, and the result is, I have been forced into all kinds of holes, some of which I have not even let William Rockefeller know about. Here at last I am in between the grinders. I cannot go to such men as Stillman and Morgan and admit that you are the one who has been doing this copper business that I have had them think I was doing myself. You would not ask me to put myself in such a humiliating position. Think what John D. Rockefeller would say of such a confession. It's impossible. And when these associates of mine get down to this matter and all agree upon the way it should be closed up, what can I do but go with them? If they knew the facts it would be easy to run you in between us, and then you would either have to convince them or give way yourself, but this is not possible here.”

The straight and narrow way is easy to follow, but once lost is hard to find. The defaulting bank president who overnight “borrows” a few thousands from his institution, fully intends to return the “loan” next day, but repairing an error is even more difficult than resisting a temptation, and when a man is in crime's net, his struggles to escape seem only to tighten around him its meshes. When the incidents of his downfall are before the jury or the coroner, there will always appear a dozen places where the unfortunate might have cut his way out of the strangling coils, but he who surveys such situations from the outside has a clearer vision than the blinded and desperate wretch in the trap. He who enlists with the brigands of “frenzied finance” and takes the oath of addition, division, and silence cannot discharge himself because his comrades are needlessly harsh to their victims. Eventually he may decide on desertion as preferable to throat-cutting, but to suggest resignation is to invite destruction, for it is a tradition of the fraternity that the best cure for repentance is a knife-thrust.

Mr. Rogers and myself wrestled with the situation until both were fairly exhausted. Finally we went uptown together; he home, to return later to the bank, I to the Waldorf to meet the newspaper men who were there awaiting the news of the subscription. I left him at Thirty-third Street, the question between us still unsolved. In the years that have passed since that ill-starred night, over and over again I have sifted and pounded the talk that then passed between us, and never have I been able to decide how much of what Mr. Rogers said to me was true and how much cunning argument to make me accede to his wishes. I hope none of my readers will ever find themselves so caught between the high cliffs and the deep water as I was that night. I recalled the old story of the sea-captain whose ship was captured by pirates and who was offered the

Frenzied Finance

alternative of hoisting the black flag and joining the band with his crew, or walking the plank. If he became a pirate, at least he saved the lives of his men, for their fate hung on his decision. If he refused—well, he retained his own virtue and kept intact that of his crew. The captain in my story had preferred propriety to piracy, and fifteen men lost their lives to no purpose, whereas the part of wisdom would have been to submit, with reservations, on the chance of throwing the pirates to the sharks at the first opportunity. If I should throw the bomb that I had threatened Rogers with, I felt sure it would put an end to all his evil machinations, but I could not limit the area of destruction to the guilty. I let my mind dwell on Mr. Rogers' words: "Lawson, no harm can come to your people, for the fifteen millions will be used in the market to protect the stock, just as I promised you." If this promise were kept, what was there to fear? But would it be kept? In the face of the evidence of broken pledges already crowded on me, and the bitter knowledge I had acquired of the wolfish greed of this man and his associates, it would be paltering with facts to say that even then I felt certain the money would be so used. Yet "Standard Oil" avoids such direct illegality as might bring it within the law's clutches, and I knew that already a fraud had been committed. I might hold that over them and compel them to go straight. Then I recalled the passion that possessed them to grab at real money when it came within their clutches, and the "Governor Flower to handle the market in such a way that no harm can come to us."

I carried my heart-tearing perplexities to dinner, cogitated over the arguments pro and con, and finally made up my mind that the percentage of wisdom was in favor of sticking by the ship. On board I was in better shape to protect my friends and followers than if I jumped into the ocean. Time has shown since that it would have been far better for all concerned for me to have touched off the powder magazine that night, had one grand and glorious explosion, and gone down with the wreckage, than to have sailed through the hell of after years. I am not the first man who has balked at amputation and got blood-poisoning.

CHAPTER XXVIII. THE BOGUS SUBSCRIPTION

Later, on his way downtown, Mr. Rogers came to my rooms.

“Are you ready for the finals, Lawson?” he said cordially. He, too, had dined, and doubtless philosophized; his whole air showed me he had satisfied himself that I would submit to the logic of conditions. No man knows the human animal from his heart's seed to its bloom better than Henry H. Rogers—and I was human.

I told him I would hold the reporters until I got the word from him, and that it must not be later than midnight. No questions were asked nor assurances given. He left in a moment for the National City Bank, and there in its solemn chambers he and James Stillman perpetrated the act which is the crime of Amalgamated, in itself a stark and palpable fraud, but aggravated by the standing of the men concerned in it, and the pledges that were slaughtered, into as arrant and damnable piece of financial villany as was ever committed.

About eleven o'clock my telephone rang. I heard Mr. Rogers' voice.

“Lawson, Stillman's tally is so far completed that we know about where we are. Give out to the press that the subscription runs between four hundred and four hundred and twenty-five millions, call it four hundred and twelve millions, after throwing out one hundred and seventy millions from speculators, and sixty-two millions as defective, and after shutting out fifty millions more which were received too late. Each subscriber will be allotted fifteen to twenty per cent. of his subscription—call it eighteen per cent.”

The figures were paralyzing. I made no attempt to analyze them. They came so late that as soon as the newspaper-men with me got them they flew to their offices and thus I escaped a strenuous ordeal of interviewing. Our arrangements for distributing the facts throughout the country were made through the *Boston Financial News*, to which we had given the exclusive right to send out the details, and its special wires were soon clicking the news to all the world. The next morning the press contained the particulars. I reproduce from the papers of May 5th the tale.

* * * * *

= \$412,000,000 FOR AMALGAMATED COPPERS =
 = \$75,000,000 Subscribed More Than Five Times Over =
 = FINANCIAL WORLD COPPER MAD =

Subscriptions of \$412,000,000—the largest in any financial deal in the world's history—are reported by the *Boston Financial News* to have been received toward the Amalgamated Company. “The world has gone copper mad” in truth.

Subscribers can be allotted only eighteen one-hundredths, or less than one share in five of the amount applied for.

One week ago, says the report, it was announced that the Standard Oil magnates, Rogers, Rockefeller, and their associates, had begun their conquering march upon copperdom—that the much heralded copper consolidation was a thing of fact—that the Amalgamated Company had been incorporated, and that its first capital, \$75,000,000, would be offered to the public by subscription through the National City Bank of New York at \$100 per share—\$100 per share, without a discount, a commission, or profit to any one.

Never before since the first dollar of civilization was invented to take the place of the stone tokens of barbarism had such a thing been heard of—\$75,000,000 of stock to be sold to investors at \$100 per share, and in one week after the birth of the corporation upon which it was based.

Frenzied Finance

The financial world held its breath, and from that time up to the closing of the books of subscription, at twelve o'clock noon yesterday, the financial world, English, German, and French, have awaited with bated breath the outcome of this great feat of modern financiering.

During the entire week from all parts of the world have poured into the National City Bank applications, accompanied by checks for the first payment—one continuous stream of entreaties—for some of the shares of this great enterprise. Nothing in history tells of such a movement.

Early in the week it became evident to the managers of the great industrial revolution that something must be done to stop the movement or it would run to such an extent as to cause serious trouble in the money markets of the world. Since Monday most strenuous efforts have been made to discourage the taking of large subscriptions. To that end the powerful financiers interested have begged all who contemplated subscribing for over \$1,000,000 to keep their applications down to that figure, and their efforts met with complete success.

Again, all those who were connected with the enterprise and who had intended subscribing on the same basis as outsiders for very large amounts, agreed that if the subscription ran over \$150,000,000 they would refrain from subscribing that those who had subscribed would not become dissatisfied with the smallness of their allotment. Still the rush continued. From all financial centres of the world came the unbroken chain of applications, until those most interested in the success of the undertaking were appalled at the magnitude of the interest aroused.

For the past forty-eight hours the National City Bank has had employed, night and day, a corps of forty-odd extra clerks calculating and arranging the applications and checks. At exactly twelve o'clock noon four uniformed watchmen closed the doors of the subscription department of the City Bank in the face of over three hundred intending subscribers, who were frantic at their vain efforts to get in their subscriptions before the appointed hour arrived.

Up to eleven o'clock to-night the entire bank force, regular and extra, have been at work, and at this hour the figures were announced which make the subscription of the Amalgamated Copper the greatest event in finance since the world began.

After throwing out bids that were, on examination, proved to be the efforts of speculators to take advantage of the great interest to make money with no risk, and after throwing out bids unaccompanied by checks, or checks that were not satisfactory, the first class amounting to over \$170,000,000, and the last to over \$62,000,000, the total cash subscription was found to have reached the gigantic sum of \$412,000,000, which gave to each and every subscriber

Frenzied Finance

eighteen per cent. of his subscription.

It is not known how much was represented in the 300 subscribers who were too late, but it is estimated at \$50,000,000—five of the 300 had single subscriptions of \$1,000,000 each. It is estimated that the sum total of the subscriptions that were thrown out or that arrived by messenger or mail—for the mail is still pouring into the bank—was between \$300,000,000 and \$400,000,000, which, added to what insiders had intended to secure for themselves, would have carried the total to over \$1,000,000,000.

It is estimated also that there are a great many who, anticipating the enormous over-subscriptions, have refrained from subscribing and will purchase in the open market.

Immediately after the subscription closed, 140, or forty per cent. premium, was bid for the stock secured by the lucky bidders.

It is said the company will issue the next \$100,000,000 at once, as those insiders who refrained from subscribing were practically promised that they would at once be given an equal opportunity to subscribe if they would hold back on this issue. It is apparent that the next subscription will be even greater and cause more excitement than the first one, particularly as it is agreed by all that the price of the stock will quickly mount to \$200 per share, as it is to be put upon the English, German, French, New York, and Boston Stock Exchanges, and will undoubtedly become one of the greatest investments sought for by the wealthy classes.

England sent in subscriptions for \$50,000,000; Germany and France, \$20,000,000 each; Boston and New England showed their steadfast faith in copper by subscribing for over \$200,000,000.

There is great excitement at the clubs and meeting-places of investors and brokers to-night.

* * * * *

Here is what Mr. Rogers and Mr. Stillman did. After discarding all unsatisfactory and imperfect subscriptions, there remained subscriptions of between \$125,000,000 and \$150,000,000 which had complied with all legal conditions, and accompanying these were checks aggregating between \$6,250,000 and \$7,500,000. This was real money, in the bank and within reach, and the two great financiers, hungering for every dollar of it, determined to possess themselves of this great sum and use it as surety to compel the payment of the balance. First, they agreed that not a dollar of the five per cent. subscription should be returned; next, to so use this amount that no one to whom stock was allotted would back out, but, on the contrary, promptly take his whole allotment and pay up the balance. To effect this they decided to allot each subscriber just the number of shares of Amalgamated necessary to render the amount of money accompanying his subscription equal to about a twenty-five or thirty per cent. payment on his whole allotment. This would constitute such a large margin as to assure the payment of the other seventy or seventy-five per cent. due. For instance, a man who applied for a hundred shares accompanied his subscription with a check for \$500. He was allotted twenty shares, value \$2,000, on which his \$500 check represented a payment of twenty-five per cent. If the conditions of the National City Bank's advertisement had been complied with, he was absolutely entitled to three shares of every five subscribed for, or sixty in all. To bring about the proportion which Mr. Rogers wanted, a bogus subscription of five or six times the unallotted balance was put in by him, and this is where

Frenzied Finance

the fraud was committed. The National City Bank was in duty bound to protect the public from any such bogus subscription, and to see that fair treatment was accorded to all subscribers. Yet, unfaithful to the trust, it permitted this bogus subscription to be put in, many hours after the bids had been opened. It utterly failed to comply with the conditions of its advertisement, and was thus a direct party to the fraud perpetrated by its president and Mr. Rogers. The exact amount of the bogus subscription could not be decided until the exact figures of the subscriptions had been compiled, so the figures I gave out that night were only estimates. Within the next few days it was ascertained that the genuine subscriptions totalled \$132,067,500, upon which an allotment of one share in five, or \$26,413,500 of stock altogether, was made to the public.

In this way the conspirators secured from the public \$26,413,500 of the original cost, \$39,000,000, and yet retained over \$48,500,000 of the authorized stock of \$75,000,000. In other words the public paid two-thirds of the purchase price, and the conspirators retained nearly two-thirds of the property.

The fraud thus perpetrated amounts to this: Every subscriber legally entitled to three shares of Amalgamated stock was deprived of two of them by the National City Bank, and the proof is to be found in the books of said National City Bank. My readers may say here that this constitutes a fortunate condition rather than a crime to be punished, for the less Amalgamated a man had, the better he was off, as the stock afterward declined. This conclusion is a false one, however.

Here, in simple terms, is an illustration of what was done in Amalgamated and of what the wrong was.

B had a valuable race-horse and decided to dispose of him in five shares. He offered these five shares for public subscription and advertised that if over five were subscribed for he would split up the shares and allot them pro rata. There were on the final day seven subscriptions. Instead of turning over the horse to the seven subscribers to own and race in their own way, B notified them that twenty-one subscriptions had been received, and that for their seven he had allotted them a one-third ownership, while the other subscribers would retain two-thirds. In the two-thirds resided the right to manage and race the horse, and the seven had no say whatever in this direction. The seven honest subscribers, not suspecting that B had simply sold them one-third of his horse for nearly his whole cost, and that he still retained a two-thirds ownership in him, supposed that fourteen others had subscribed on the same terms as themselves. If the horse were really able to race and thereby earn large sums of money, it was by this fraud in B's power to make him appear so worthless that the seven bona-fide subscribers would be inclined to turn over their ownerships to B at his own figure. Contrariwise, B could so dose the horse as to make him appear more valuable than he really was, and use the advantage to dispose of his fourteen shares for fictitiously high prices.

The world assumes an attitude of horror and amazement at the mention of crime, and thousands of words are written to describe what led up to and away from any given overt deed; but the deed itself, however grave, shameful, or portentous, seems strangely barren and bloodless set down in naked words. Yet the mountain peak that tops the great ranges is but a shoulder over its neighbor, though it may be the apex of a continent. A misconstrued word has caused the spilling of the blood of millions; the needle-point of a stiletto has severed kingdoms. Between temptation and consequence there is but little space, yet it is deep and wide enough for all the poison in the tongues of all the world's serpents. To-day, a simple peasant, humble, gentle, is an insignificant atom in the great Russian Empire, and Nicholas is the supreme ruler of rulers. To-morrow, by a simple swing of an arm a bomb is thrown, and the peasant is the one human being in all the world; the face of Russia is changed, and Nicholas—is not.

The first crime of Amalgamated is a matter of mathematics. It involved plain fraud and misrepresentation, the insertion of a bogus subscription and the disruption of solemn pledges, but the commission of it was nothing more than a matter of arrangement between two men, one the master of the greatest of all business organizations, and the other the head of the strongest bank in the United States. The consequences were world-wide. That night no bomb was thrown, but a seed was sown for the cruelest harvest of crime, dishonor, unhappiness, and desolation ever reaped within the confines of our republic.

NOTE.—The above statement has now been in the hands of the public, has been printed and commented on in thousands of the leading journals of the world for twelve months, and no Government official has taken cognizance of it. The charges I make constitute one of the gravest business crimes ever

Frenzied Finance

committed by any national bank. If they are true, the Government at Washington has no more important duty than to punish the criminals. If they are false, I should be sent to prison. What a commentary on our boasted freedom and equality! The National City Bank does business at the old stand. Rogers, Rockefeller and Stillman walk the streets; so do I, and since I published the above statement and submitted the above proof, at least half a dozen poor national bank clerks and officials who have stolen a few hundreds or thousands have been sent to prison, or have committed suicide to avoid being sent there.

CHAPTER XXIX. THE AFTERMATH

It was just past the midnight of May 4th. The last newspaper-man had taken his departure, my friends had all retired, and I was alone for the first moment since the news had come from the City Bank. I had not then stopped to analyze its character, for there had been only time to announce it. Now, however, I sat down at my desk and with a pencil and a piece of paper began to cipher out what the "412 millions" meant. As I figured, cold sweat began to gather on my forehead, and the further I figured the colder the sweat, until at last in an agony of perplexity I again called up Mr. Rogers. My agitation must have betrayed itself in my voice, though I tried to assume a tone of calm inquiry.

"Mr. Rogers," I said, "I've been vainly trying to figure out the meaning of the subscription figures you gave me and I cannot make head or tail of them. You said '400 to 425 millions'; of course that means you have put in our dummy subscription, but what was the real subscription? It is absolutely essential that I know to-night, for in the morning I shall be besieged for information, and ignorance on my part may get all hands into trouble."

"Lawson," he replied, "you must not talk such things over the wire—you don't know who is listening. You must not."

"I can't help it," I replied determinedly. "I positively must have the real figures, for even you and Mr. Stillman may have made a slip-up and I want to work the thing out so that I may have it clear in my head for the morning. It is essential."

He realized that it was useless to try to escape my insistence, and he snapped out:

"All I can say now is, it is between 125 and 150 millions real, solid subscriptions, backed with actual money. We haven't got it figured out within some millions, and won't before to-morrow, when we will put in our subscription for the right amount, but we know it is surely between these two figures, and that each subscriber will have about one share in five, so we shall have a good, strong twenty-five per cent. margin. That is all I will or can say to-night."

I heard the sharp click as he hung up the receiver.

I went back to my pencil and pad and began again the interminable figuring. My head throbbed and my senses reeled. In those still, dark hours of the early morning I covered sheet after sheet with figures, all of which had for a basis 125 to 150 millions, 400 to 425 millions, one in five, and twenty-five per cent. margin, and these figures I turned and twisted in a vain, vain effort to bring out something with fifteen millions for an answer.

"No, it will not come," I said to myself at last in hopeless despair.

Numb and dull, I leaned back in my chair with half-closed eyes, while night, that master phantom maker, played upon my harried nerves and distraught mind. Stealthily out of his murky caldron the ghosts and goblins crept. I saw the spectres of all my dearest dreams trail slouching by, jostled and driven by sneering bullies. I saw a great company of scowling men, wailing women, and little children, with drawn, pinched faces, and they seemed to point at me as they plodded past, muttering, "But for you." Then, to the clanking of chains, hoarse curses, and the sharp whip-snap, lines upon lines of men in striped suits, with cropped heads, and faces branded by despair, filed up. Faintly a mutter of sobs and groans echoed, "But for you." The clanking ceased; there came the slow shuffling of many feet, and a procession of men, bearing stretchers on which lay shrouded figures, advanced into view. Like a solemn knell upon my ear smote the reproach, "Suicides because of you." And now out of the caldron sprang a mob of goblin dollar-signs compounded of blood-red snakes and copper bars, that danced a mad saraband around my chair to a weird chorus of, "But for you." Transfixed and aghast I stared at the train of awful forms. So real were they, they seemed almost to touch me as they swept onward. At last, with a convulsive effort, I threw off the spell, banished the phantasms of my frightened brain, and shook myself together with a: "You have work ahead and dreaming will not do it for you."

Back into my mind trooped the unanswerable, cold realities. There could be no doubt that the announcements in the morning papers would surprise those who had been led to expect an allotment of one

share in twenty or thirty and had subscribed accordingly, and likewise those who had expected to get all, or at least one out of two. There might be murmurs of foul play and a general suspicion that trickery had been practised. Looking at the situation, I saw that upon me the chief blame must fall, and that it behooved me to think soundly and quickly over what had best be done to protect from the impending massacre those whom I had lured into the ambush. The smoke-wreaths had all gone out of my brain now, and as the known factors began to group themselves symmetrically before my mind I forced myself to face certain all-too-evident facts: Rogers and Stillman had plainly hoisted the black flag; they had broken all their promises to me and assuredly had no intention of carrying out to the public the pledges I had made on their behalf; they would handle this affair as they had others I knew about—only to extract the greatest number of dollars from it—and in the course of their operations I and my friends would probably be sent through the crusher with the rest. All this being true, I could do little by denunciation or exposure, for these men, caring nothing for the sufferings of others, would not fear the consequences of their own acts; my only hope was to meet them on their own ground and outplay them at their own game. Then and there I determined on my course—to compel them to undo the wrongs they had committed and, if so great an achievement were possible, put the people in position to do to them what they had done to the people. An almost hopeless resolution at that juncture, it would seem, but, as results have shown, by no means out of the power of man's accomplishment.

This is what I reasoned out before I retired to bed: If the actual subscription were 125 to 150 millions, then six to eight millions of real cash had been paid into the National City Bank. On an allotment of one share in five, these six to eight millions represented a margin of about twenty-five per cent.—big enough to cover any ordinary drop in the price of the stock, and big enough also to lead those to whom shares had been assigned to make good the balance. But to meet this allotment, a very large bogus subscription had been necessary, and therein I saw the weakness of Rogers and Rockefeller and the weapon that Providence had intrusted to my hands.

Mr. Rogers' uncertainty as to the totals of the subscription made it evident that the bogus subscription was not in the bank even yet, and as it must be for a definite amount and backed up by a five-per-cent. check, it could not be put in until James Stillman's clerks had computed to the last cent the public's applications, and that enormous piece of work would not be completed on the next day nor even the day following. This bogus subscription was already outlawed—its insertion even at the present moment would have been criminal; how much worse the criminality if days were allowed to elapse between the legally fixed last moment for bids and the actual time at which this outlawed subscription was admitted. And as the transaction involved the making of a large check and other formalities, it was obvious it was not one that could be easily concealed. It must be a part of the bank's records. If I but played aright the cards Dame Fate had put into my hands, I might yet redeem myself and save the public I had led into the trap. But as clear as the new moon against a November sky stood forth the warning that if I attempted to cut into a "Standard Oil" game, I must play cards their way—dispassionately, scientifically, with no sentiment nor consideration for adversary or partner. With this conviction I went to bed.

It was quite early on the following morning that I met Mr. Rogers, and without giving him time to begin the conversation, for I was determined he should have no provocation for the break with me that I guessed he had on his programme, I started in:

"I have been figuring this thing out, Mr. Rogers, and I think I see things as they are, and although I might not have handled it as you and Stillman did, it is done, and the only thing to do now is to make some arrangements to keep the subscribers feeling good until the stock gets to a round premium. Of course it would not do to have any slump below par until after the receipts are issued and the whole amount of the subscriptions paid up."

Mr. Rogers looked me over, very suspiciously at first, then brightened up, and it did not require an extra eye to see he was agreeably surprised at my cheerful attitude. Doubtless he explained to himself the change on the ground that "He at last sees the dollars he is to have."

"What suggestion have you, Lawson, as to what should be done this morning?"

"Only that all hands look happy, talk big, and do all possible to keep a good premium on the stock to be delivered when issued. By the way, have you and Stillman changed the scheme about putting all the cash received behind the stock?"

Frenzied Finance

This I asked in as mild a tone as possible, and tried to convey by my voice the suggestion, "Because you may have had good reason to, and if you have I will not kick over the traces." It took every ounce of will-power in my armament to keep from grating my teeth as I so spoke.

Again his eyes bored piercingly into mine, and I felt as though all the man's mental faculties were ranged to assail me, but I guess I ran the gauntlet.

"Yes," he said slowly, "we have changed it some. The fact is, Lawson, I have agreed to leave that part wholly to Flower and Stillman, while I run out of town for a few days." I had steeled myself to play the game and said not a word, but silence was a mighty effort. "And," he went on, "if I were you, Lawson, I should just dig out too for a while."

"What a heartless rascal!" was on my lips, but I gripped myself hard and pushed the insult clear way back, and made never a protest by word or look.

"I am afraid that won't be best," I said in an every-day, pondering tone. "There are lots of sharp chaps on 'the Street' who will insist on asking questions, questions Flower cannot possibly answer, and in a jiff they might start in to offer the subscriptions down, and before one could whistle a bar from 'Wait Till the Clouds Roll By' the air might be full of falling stars."

This seemed to strike home.

"Well, what have you to propose?" he asked.

"Some one should be ready in the market to take any amount of stock—" I argued.

He interrupted in his old aggressive way before the sentence was half out of my mouth:

"Cut that line out, Lawson; I told you Flower has that end of the affair entirely in his hands."

And at this point my resolution to keep quiet and play the game did almost go by the board. For a second I literally boiled. Then there flashed before my mind's mirror the dreadful procession of the night before, and I once more held tight and, oh, so deferentially and politely, like a chastened school-boy, went on:

"Oh, that will be all right. I was not going to suggest that you let me interfere with Flower's plans, for I can gather, Mr. Rogers, that you and the others have decided on doing things your own way, and you can rest easy I shall not interfere."

"That's something like, Lawson," he said, with a heartiness I could see was from the lower hold. "That's the way to look at a big thing of this kind, and if we all just pull together for a while we shall have your old plans going like oil again."

Yes, Mr. Rogers was plainly pleased at my complaisance and the prospect of using me to gather in another harvest of dollars later. Playing my game, I pursued:

"Is it fair, Mr. Rogers, to ask what arrangements Stillman has made for loaning money to those who may want to borrow on their subscriptions? You know we gave out before the subscription was opened that the City Bank would loan on the stock?"

"That is one of the things I was going to tell you, Lawson. Flower is going to let it be known that any one and every one who cares to, can borrow the remaining seventy-five per cent. at the City at going rates, so there will be no excuse for any one selling."

There it was as plain as a haystack: it was the old trap, the old ambush; within were the victims lured there by the cupidity which I had played upon; the bars were up now and "Standard Oil" was ready to begin its familiar trick of going through their clothes.

Already "Standard Oil" had laid its hands on the amount each subscriber had paid in, which represented twenty-five per cent. of the total value of the shares allotted. The National City Bank would generously loan the balance. A little later an accomplice would cause a flurry in the market. The loans would be called and, automatically, the stock, together with the money that had been paid for it, would fall into the greedy maws of Rockefeller and Rogers. No fluttering fly was ever so surely enmeshed and at the mercy of weaving spider as the unfortunates whom I had so decoyed to the "Standard Oil" web. With the most valiant assumption of indifference, I continued:

"That being the case, it cannot possibly interfere with Flower's set-out for me to spread the news, too, that any one who wants to borrow the balance of his subscription can get it from Stillman's Bank?"

"You can do better than that, Lawson," said Mr. Rogers with an air of real cordiality. "You can let it be known to the brokers and the Wall Street men that any good house can borrow all it wants on Amalgamated to

Frenzied Finance

the extent of ninety cents on the dollar. Of course, this won't be for irresponsible outsiders, for the stock might break below ninety, but give the word that any responsible broker can always borrow as high as ninety dollars a share for those who want the stock on margin."

"That will help things," I answered. "Now, Mr. Rogers, let me tell you what I have decided to do on my own hook. Don't misunderstand me; it has nothing to do with you or the rest, and, of course, none of you will object to my doing all I care to on my own account. As you said yesterday, one portion of our job is finished, and we have thirty-six millions' profit. This means either cash or its equivalent, stock, which at par or over is as good as cash, at least as good as ninety, which I can have my brokers borrow at the City. I calculate that my share is nine millions less whatever you have given away in the handling of the enterprise."

I paused as I saw a black cloud gathering on his face at my mention of nine millions of dollars, but before he could object I went on:

"I understand, of course, that the expense and the shares you have had to give to others represent a huge total. At the same time there have been huge profits on the side. There is no necessity to enter upon what is coming to me just now, but what I intended to say was this: I have millions with you and Mr. Rockefeller—millions more than I owe you on account of Butte and other Boston stocks of the second section. Now, I propose to take a million or two of that and start in on my account to support the market right from this morning; independent of Flower or your other operations, I will see if I cannot get up a good feeling."

At once the frown relaxed and his set features broke into a smile of gratification.

"That's something like it, Lawson," he said. "When you get down to real business we never have differences. It is only when you start up that confounded croaking about what we must do for the people, that I get angry."

"All right, Mr. Rogers," I answered. "Let those things drop and, as you say, we'll keep down to business. How much can I depend upon drawing from my account this morning, provided I want it?"

"How will two millions do?" he answered cheerily.

"Plenty," I said.

"All right; I will notify Stillman that you or your brokers may want to borrow up to that, and if you need the Amalgamated stock, you can have it at any time. I will leave word to that effect with Curtis."

Curtis was William Rockefeller's secretary and right-hand man, who then handled the details of all their financial matters.

Before leaving I indicated to Mr. Rogers the details of my proposed actions, and explained that I had sent for my principal Boston brokers who would be with me on Wall Street to help steer the craft. Evidently my plans met his personal approval. Indeed, from the change that had come over his manner I realized that he felt he had been spared a disagreeable task and that my shift had been a pleasant surprise to him. It was plain that he and Stillman had decided that I must be thrown to the sharks if I kept on my old tack, and were therefore gratified to find that I was not only ready to assist in steering the ship their way, but also willing to feed the engines coal at my own expense to keep up her speed. In spite of Mr. Rogers' confidence in Governor Flower's ability to take care of the market, it was a great relief to his mind to know that I should be there, for he realized that no one, however able and popular—and Governor Flower was both to an unusual degree—could possibly take up such an intricate bunch of lines as those with which we had been driving, without a lot of feeling-out practice.

There was another aspect of the situation that had been suggested to me by a certain passing twitch of his lip that I had noted when I had said I proposed putting some of my own millions behind the market. It was as though the tongue had involuntarily started to lap the chops for blood, and I scribbled a memo on my mind's black-board, "Think over whether he does not intend to set traps for your share of the spoils."

CHAPTER XXX. THE MORNING AFTER

It was with a feeling of intense relief that I left Mr. Rogers and returned to the Waldorf. At last I knew where I "was at": I was to play a lone hand; my enemies were in front; there were no partners from whose treacherous knife-blades I should have to protect my back. The path was clear, and as I examined my position, I felt my old self again. Promptly I called up my Boston brokers, who were at the Holland House, to say I would drop in for them on my way downtown, and with a clear plan of campaign in my mind, I determined to face the breakfasting crowd in the big café downstairs.

Almost immediately I found myself in the centre of a knot of men who began eagerly to press me for further particulars of the Amalgamated subscriptions. We all know the story of the comedian informed in the midst of a performance of his beloved wife's death, who yet must laugh and antic to the end of the play. I appreciated the heavy-hearted actor's plight as I surveyed the little throng so vitally interested in their dollar affairs. I longed to mount a chair and tell them how they had been duped, but my rôle called for different lines. It was my part to feign satisfaction and my duty to keep every cent invested in our enterprise from shrinking a mill. I pumped as much enthusiasm into my speech as possible.

"You see what the papers say," I said. "That gives you all the information I have, for although you may not think it, I have been spending the night just as the rest of you have—in lands where all flotations sell away over par. I'm going down to Wall Street just now. After a while I'll have more to tell you."

The flutter of an eyelash, a hair-breadth of hesitation, a mumbled word and there may be born in the mind of the investor that instinctive distrust which is the beginning of panic. In a stock market as in a powder magazine there are always dread possibilities of explosion, and he who would survive must have incombustible nerves and an ice-packed brain; asbestos assurances and an unblushing swagger have averted many money conflagrations and set prices hill-climbing.

My little congregation had all the fluttering fugitiveness of the investor-out-for-quick profits, and after a few generalities, I got down to the one question they all longed to ask but none dared to voice—"What can I sell my subscription for if I want to part with it?" Raising my voice a trifle and looking straight at them:

"Don't get excited about what you read in print these next few days," I said, as though some one had asked me the question, "for there will be hogsheads of rumors unhooped, and remember that rumor prices are never real money. The papers this morning say that any one can sell at 40 to 60 per cent. profit, but that hardly seems reasonable to me; in fact, if I were any of you who have been allotted stock and could get such profit as that overnight, I'd take it. All I'll do just now is this: I will give 110 for any amount any of you want to sell, provided you sell right now—and 10 per cent. profit is not so bad when you come to think it's 40 per cent. on what actual money you have put up."

In the vernacular of stocks this process I used is called "moulding public opinion" and "making a market," and it had the expected effect on that bright May morning which followed the closing day of the Amalgamated flotation. I was not offered a share; in fact, there was a loud guffaw, and it was a hundred to one wager that as I passed on to another group each listener tumbled over his neighbor to get in first. "110! That's a good joke! I wonder if he takes us for children! Evidently he is out early this morning to catch any stray worms napping! 110 for something worth 160!"

Inside of ten minutes it was all over the Waldorf and on the wires, "Look out for Lawson! He's trying to get Amalgamated at 110." And by the time I got to the Holland, a block down the Avenue, the brokers and investors gathered there were ready to give me the laugh with "You're out early, we see, to pick up a bundle of easy money."

My first task had been accomplished to my own satisfaction. Inside of an hour it would be flashed over the world that there was a firm reliable market at 110 bid and almost any price asked for Amalgamated, and while 110 was not anything like the wild 140 to 160 that rumor gossiped of, it represented such a good profit that it was sure to set the market off with an all-round chipperness.

My readers must bear in mind that as yet there was no real Amalgamated stock which could be sold, and no place to sell it if there had been, for until each subscriber received official notice no one really knew for

Frenzied Finance

certain that he had been allotted any stock, and until the Amalgamated shares were listed on the Stock Exchange, there could be no reliable market, although they could be traded in on the curb.

At the Holland House, I quickly outlined to my chief brokers my plans for the day. Then together we started for Wall Street.

The hours that followed were busy ones, and confusing as well. Wall Street was a-buzz with curiosity and from all sides poured questions. "The Street," it was evident, had awakened to the fact that the situation in Amalgamated disclosed a different line-up of conditions from that which it had anticipated. As to whether the change was good or bad no one dared hazard a guess. For the first time in my experience, Wall Street was completely at sea. The shrewdest plungers and manipulators, men to whom the tape yields up its secrets as the penitent to the priest; to whom the ticker babbles the inner mysteries of directors' meetings and deep-down deals—these men whose eyes, ears, and noses decades of stock-play had trained to supernatural acuteness were as impotent to track the truth as the veriest tyro. All admitted that the conditions were unusual, that the subscriptions had far exceeded expectation, that time would be required to get them straightened out. Because of this it was natural that the market should be slow and in the absence of definite facts it might easily look one price and be another. If the subscription really were 412 millions and if each subscriber would have a fifth of his allotment, then there was the usual chance for trick playing and "Standard Oil" might be scheming to gather in this valuable stock at 110 when its proper price mayhap was 140 to 160 or more.

In Wall Street the best brains of all the Western world centre. Fortunes are there waiting for brains to carve and take; stacked up there are millions which he who has brains can pocket without a "by-your-leave." Wall Street is the millionaire's checker-board, but brains direct the moves and make the plays. And with all its mordant wisdom, cynical cunning, cold suspicion, Wall Street was baffled.

There was nothing to do but to continue my campaign of smiles and cheerfulness, repeat my 110 bid in every quarter possible, and so keep up the delusion. Late that afternoon I saw Mr. Rogers, who eagerly interrogated me.

"Well, Lawson, what do you make out?"

"It is the most mixed-up mess 'the Street' has ever wrestled with," I replied, "but one thing is clear: no one will dare to sell much until he receives notice of just what he has been allotted, and then most will be timid about selling until they have received the receipts. I don't see how, if nothing definite leaks out, there can be much danger until after they get their hands on the receipts, and by that time, of course, you will have a fine market organized to take care of any offerings."

He flinched. I saw again that I had touched his sore spot, for at every faintest suggestion that our profits should be used to protect the market, he became as shy as a pick-pocket at a police parade.

CHAPTER XXXI. I WALK THE PLANK

Have you ever seen a bunch of school-boys who, having sneaked under a corner of the circus tent, are prowling furtively round the show in holy terror lest some one who has seen their entry may be awaiting a chance to nab them? One minute they are tasting the raptures of being under the canvas; the next, longing to be safely outside. That is about how Wall Street felt on the memorable Friday after the Amalgamated flotation. The same feeling prevailed generally on Saturday, though I was obliged to buy a few blocks of the stock at 110 from Wall Street men whose sharp noses had sniffed a carrion scent in the air. Sunday was uncomfortable, for I realized that I might have to face bad conditions on the morrow. On Monday an ominous feeling began to rise and pervade "the Street" like a miasma mist in a tropical swamp. The bacillus of distrust had started its infection. I had to buy quite a lot of subscriptions and was now varying the price from 110, for it seemed possible any moment that something would break loose.

These were the conditions when on Tuesday a telephone call came from Mr. Rogers asking me to drop round to 26 Broadway, as he had an important matter to talk over with me. I reported at the appointed time. Mr. Rogers was evidently full of business.

"Lawson," he said, "we have figured everything up and balanced accounts, and each member of the different syndicates is to be given his share, cash and stock, at once."

"All right," I answered. "That suits me."

"I thought so," he continued pleasantly. "Mr. Rockefeller has had Curtis figure up your account, and while in the rush he may not have got everything in, he's fairly accurate. From what you said about getting your affairs into shape to help the market, it occurred to me you might like to have your balance of this section in hand ready for use. I have the statement here, and if you find it all right I'll go upstairs and get all it calls for fixed up at once."

We were in the little glass pen where most of our conferences took place. I, with my elbows on the small mahogany table, sat looking across at him leaning back in his chair. Without knowing what was to happen, but from a certain suppressed eagerness I had detected under his frigid composure, I had a strong conviction that he was nerving himself for a coup of some kind. I realized that he and Mr. Rockefeller had talked me over pretty thoroughly and had decided that they had best run this gauntlet as soon as possible. Since Mr. Rogers had broached the substitution of Anaconda for the properties originally intended for the first section of Amalgamated, I had felt that this balancing of accounts would be a crucial affair, and after the recent turn of the screw, I hardly knew what to expect, but was ready for the worst. Now a swift thrill of apprehension suggested I'd better look for real deviltry. There was perhaps a minute's delay while he fumbled in his pocket and drew out letters and papers. My blood steeplechased in my veins as I waited for him to deal me the hand that might decide my fate. In such tense moments thoughts flash in and out of the mind like lightning, and as I watched him rise, the fateful paper in his hand, it came over me with a sharp exultation that however the trumps fell it was a great game—great even for this king of gamblers who was about to play his hand.

Henry H. Rogers looked piercingly into my eyes and said: "There's the account, Lawson." He laid on the table in front of me an oblong piece of paper. On it were some lines of words followed by other lines of figures. That was all. I spread it out carefully between my two hands and bent over it. Then I looked up. Before I allowed the significance of the figures to penetrate my mind, I wished to know exactly what they represented.

"If I understand aright, Mr. Rogers," I asked, "this statement does not take in our Boston deals nor my loans on the Butte and other affairs, but is a settlement of this first section only—a final clearing-up showing just what my twenty-five per cent. of the Amalgamated and the things connected with it amount to? Am I right?"

My voice was even and calmly business-like, and he answered in exactly the same tone.

"It shows where you stand on this particular affair, and gives your balance of stock and cash, which we are ready to pay over in whole or in part, in case you may want to leave some of it against the loans on the other section."

Frenzied Finance

I turned to the paper; I leaned over it, letting my two hands with the elbows resting on the table support my head. Mr. Rogers could see only the back and top of my head, no part of my face. At the first glance I caught the balance—it was a little less than two millions and a half. At once the other lines upon the sheet became a crimson blur. Into my mind rushed an avalanche of figures and facts which seemed to prove irresistibly that I should have read nine millions in place of the numbers that were burning themselves into my brain. But what if it were rightly but two and a half millions, and the great sum on which all my market movements had been predicated was a hideous miscalculation on my part? Then inevitably was I hopelessly bankrupt, or saved from that only to find my neck irrevocably caught in the “Standard Oil” noose. I strove fiercely to steady my nerves, to arrest the stampeding terrors that had broken loose in my brain. There came to me a feverish memory of the hideous procession of Thursday's midnight vigil. I desperately asseverated to myself, “I must be cool, I must, I must.” But all my resolutions went as goes the powder when touched by the match. In an instant more nothing in the world mattered; I sprang to my feet, kicked over the chair, and with an exclamation which was half yell, half imprecation, I stuck the paper under Mr. Rogers' eyes. On the balance line I beat a tattoo with my trembling forefinger. Heaven knows what I said, for all barriers were down and a flood—tide of rage, overwhelming, terrific, swept my being. There was no chance for Mr. Rogers to answer or to interrupt me. Suddenly I became conscious that I was asking, “Am I to understand that this is final? Is this what I get for all I have stood for?” My voice as I heard it was strange—a hoarse hiss—and the words fell on my ear like a death sentence. “No, by God, no!” I sprang between him and the door.

“Lawson, in the name of Heaven, stop for a second; there is some mistake; I see there is some mistake, some terrible blunder that they have made upstairs. Don't say another word. Give me that paper and I'll take it to Mr. Rockefeller. He will see what is wrong; he and I'll go over it together and you shall have what's right. I will be back in a few minutes and I swear to you you shall have your full share. Yes, I swear to you you shall have what you say is right, even if it takes every dollar of the profits, every dollar.”

I handed him the paper without a word and he was out of the room. I heard gates bang and knew he had, as he promised, “gone upstairs.” I locked the door and waited. I shall never forget the racking torture of that period of inaction. To make real all the terrors I was suffering it would be necessary for me to enter into elaborate details of the wide—spread financial commitment into which I had been led by my relationship with the Consolidation. I was staggering under immense lines of Boston “Coppers,” which were to be included in the second section of Amalgamated, but had been purchased to make part of the first section. Some of these Mr. Rockefeller was carrying for me; the rest were portioned among two dozen banks, trust companies, and brokers. With a portion of the profits I had legitimately calculated upon, I had proposed to lighten my burden and to devote the balance to carrying through the contract I had taken on my shoulders of protecting Amalgamated stock in the market. To do so on this showing would be out of the question; more than ever should I be at “Standard Oil's” mercy. The dangers that threatened me assumed cyclopean proportions as I marshalled them. Suddenly another possibility flashed across my brain, “What if they should tell you that having refused what was fair, you should have nothing—that you could go to the devil and fight? Then where would you be?” That meant ruin, crushing, irrevocable, complete; a series of disasters, so portentously realistic, began a cinematographic procession across my disordered brain, that I found myself shivering in anticipation, when suddenly the door—knob clicked and I jumped to my feet to admit Mr. Rogers. In his hand was the paper. I had eyes for it alone. I took it from his outstretched fingers and devoured its contents. It was the same sheet, the same word “balance,” but underneath the old figures was a line below which appeared a new set of ciphers, showing just a fraction under five millions of dollars. In the brief interval of minutes my balance had doubled. Before I could utter a word, with his hand on my arm to arrest my attention, Mr. Rogers was exclaiming:

“Lawson, one word before you open your mouth. Remember I said you should be satisfied. Mr. Rockefeller agrees with me. He is convinced these figures now are right, but wants me to tell you if you believe they are not, to make your own and you'll have what they call for.”

As I said before, Henry H. Rogers knows the human animal, and in the intimate intercourse of preceding years he had had ample opportunity to learn those very human characteristics which go to the blending of my individuality. It is a weakness of which I am intensely conscious, yet cannot altogether regret, to be easily moved by any show of generosity and fairness, however specious. When I saw the new figures and realized

Frenzied Finance

that all the hell I had conjured up was no more than a nightmare, a very rapture of gratitude and relief seized me. It was not that I lost sight of the fact that this new balance was far below what I knew was my right, for according to the lowest computation my proper share was nine millions; nor that I failed to realize that I was in the power of this man whose greed, callousness, and brutal obstinacy in the face of opposition no one knew better than I. Still, though his unusual deference convinced me that by continued, fiery insistence I could force from him the remaining four millions (for the one thing Standard Oil never lets get into court is a dispute over a division of profits on a joint stock deal), the first shock had been so awful, and the reaction was so sudden, that my whole being revolted at the idea of further wrangle. Indeed, I was in the same condition as the man whose runaway horse suddenly stops just as the children in the roadway seemed doomed to be crushed and beaten to death beneath its iron heels. He condones the running away in gratitude for the timely halt. A glad voice within me seemed to be saying, "It's all right, all right—that's money enough to fight him out with—that's ammunition for victory—victory for yourself, for the friends who have banked on your ability to protect them."

I said to Mr. Rogers: "Tell Mr. Rockefeller I thank him for his fairness. I thank you both. I'm satisfied and this is settled." I put my finger on the account which lay on the table.

Yes, I positively thanked these men who had tried to rob me of seventy-five per cent. of all the millions that I had earned by all the laws *of the game*, and that I so urgently needed to protect those whom I had lured to probable destruction; needed as a mother in the desert needs milk to keep life in her babe. I thanked these men in heartfelt terms because they had returned me an additional third of my own money. Idiot, you say. I went further; I shook Mr. Rogers by the hand, and as the tears gathered in his eyes I said, and it was from the heart, too:

"Don't think, Mr. Rogers, that I shall ever lay up this day against you and Mr. Rockefeller, or that I shall resent not getting all I believed I should have had. I want you both to understand that I do know I am entitled to more, but it ends here. I will cherish no ill-feeling, for this balance is amply sufficient to enable me to do what I intended to do, and—there is more on earth than millions."

We were both emotionally excited; I from relief at escaping the clutches of that dread hell of which for certain moments I had felt the flaming grasp; he because of a sudden degrading realization that he had attempted to practise on a faithful comrade in arms a cowardly and contemptible piece of treachery. My impulsive gratitude for the measure of justice granted me made his avaricious greed seem even to him despicable, and for an instant Henry H. Rogers was honestly ashamed.

Some years have elapsed since this episode, but a thousand times I suppose the scene has arisen to rack Henry H. Rogers with bitter memories of his baseness. The severest punishments are not those that we mortals inflict on our fellows whom for violations of our little earthly laws we clap in striped suits and shackle with steel bracelets. What are striped suits which imprint no mark on the body of the wearer, or handcuffs that any blacksmith can strike off at a blow, in comparison with the ever-recurring torture of the white-hot iron with which God sears the hearts and brains of those sinners whose wrong-doing is beyond human retribution? What memories of prison and disgrace are comparable with the exquisite suffering of the undetected criminal who in the dark watches of the night pores over the bitter scroll of his delinquencies? When Henry H. Rogers reads the record set down here of this faithless and degrading action, he will suffer infinitely more than ever I did for the loss of the gold he and his associates so meanly filched. Nor will the knowledge of the seven and a half score of millions marshalled ready at his nod, abate one jot or tittle of the measure of his humiliation and shame.

Peace having been established, Mr. Rogers sent "upstairs" for the checks and stocks to complete the settlement, and while we waited we talked, and, as was inevitable after so strenuous a session, we found ourselves back on the sincere and frankly friendly footing of our earlier intercourse. A knock-down and attempted drag-out which at the end is declared a draw invariably promotes cordiality between the principals, and ours was no exception to the rule. Evidently Mr. Rogers had been doing considerable thinking since our last conversation and had accumulated troublesome ideas which had to be worked off. My mood at the moment seemed made to order for the purpose, and he ran over our affairs, one after another, until he thought it safe to explode his bomb. He rang for a clerk, and instructed that Mr. Stillman be called up and asked to send over "that paper if it was ready." Soon afterward the messenger returned with a big, square package. Mr.

Frenzied Finance

Rogers opened it.

“Lawson,” he said, “here's the whole story. Stillman has been steadily at work and has just finished two copies of the entire subscription. I think you ought to look it over.”

“Look it over,” I repeated. “Why, it is of the utmost importance to the whole enterprise that I study every name. I alone can tell just what that list means. After I've been over it I'll know pretty thoroughly who will hold, who will want to sell, who must sell, and who will need encouragement.”

“That's just what I thought,” he answered, with an air of high approval. Then, dropping to his most friendly and confidential key, the tone of voice that never fails to persuade an associate that he is in on the bottom floor and that all others are outsiders, he went on: “And more than that, Lawson, why cannot you get in touch with all those subscribers who are disappointed at the amounts they received and sell them what they want?”

Mr. Rogers leaned back to appraise the effect of this startling proposition on me. At any other moment I should inevitably have broken loose again, but the fascination of his personality was upon me and I let him spin his webs. Any man, and there are scores adrift, who falls under the spell of Henry H. Rogers, invariably, as did the suitors of Circe, pays the penalty of his indiscretion. Some he uses and contemptuously casts aside useless; others he works, plays, and pensions; still others serve as jackals or servitors and proudly flaunt his livery; a few, the strong, independent souls, tempted with great rewards and beguiled by the man's baleful, intellectual charm into his clutches, preserve a semblance of freedom; but let the boldest of these turn restive—he is maimed or garroted with sickening promptitude.

CHAPTER XXXII. PERFECTING THE DOUBLE CROSS

To get back to my story. I realized that though one disaster had been averted, I was far from any haven of rest. Remembering my cue, however, I asked innocently:

“Have you all decided to sell more of the stock, Mr. Rogers?”

“All? Why no,” he said. “Just let me show you where we stand now. All the unsold stock, roughly forty–eight millions, has been divided up and each man has to carry his own. That's easy, because Stillman will carry them all at the bank, for they are all good, Lewisohn, Morgan, Olcott, Flower, Daly, and the others. The only loose stock will be Mr. Rockefeller's, yours, and mine, and that we must turn into money before we can bring out the second section. You have been losing sight of the fact, Lawson, that we have millions upon millions tied up here, and Mr. Rockefeller has decided he will not go ahead until we have turned this venture into money.”

Marvellous, marvellous man! He unrolled the new scheme as openly and as freely as though he were a world's philanthropist explaining a new benefaction and I an enthusiastic minister employed to carry the glad tidings to the people. The plot was obvious. In spite of Flower and Stillman and all the talk of our taking a rest he was back on his black courser again, in a new saddle, with a freshly lighted lantern, and the old blackjack newly leaded. And I was the only one who could stalk the game. I listened.

“Now let me show you, Lawson, what a pretty campaign I have laid out,” he went on. “I've pledged all the others to hold their stock and I've got it rigged in such a way they can't let go a share without my knowing of it. Then I've got them all enthusiastic and have formed a pool at Flower's office which, if necessary, can buy 500,000 shares, and what with the money they have made and the promise that they will be let in on the second section if they're good, we ought to have things pretty much our own way.”

The scheme seemed to be perfect for robbing every one in sight, and here was I being taken right in—I who had but one thought: to get those I had mired on to firm soil and myself outside the breastworks of this pirate stronghold.

“It looks perfect, Mr. Rogers,” I said. “Now where do I come in on all this?”

He shrugged his shoulders impatiently. “You see as well as I can tell you,” he replied evasively.

“I take it that you want me to unload our stock on to the pool and the other members of the syndicate?” I asked with a brutal frankness that I realized, after I heard the words, was almost indecent.

“What is the use of putting it that way, Lawson?” he replied angrily. “You know I mean nothing of the sort. You know I want you to keep every one you can from selling, and simply supply the legitimate demand that can be worked up among the subscribers all over the country. If worked as you can work it, this ought to clean up our stock without any one's being hurt.”

I understood perfectly. If Mr. Rogers and I had been on terms of flippancy instead of dignity, at this stage we should have given each other the wink. Just what he wanted done I knew. He knew I knew what he wanted, and I knew he knew I knew, and yet we were pretending not only that we knew nothing but that there was really nothing to know.

Fortunately, at this stage of the duel Mr. Rogers' secretary arrived with my checks and stock, and while we were verifying these, I had time to study my mental chess–board for the next move. The papers were all passed at last and then I entered into some explanation of my own intentions. I told Mr. Rogers that for the time being I would hold all my stock, but that I intended to borrow a stack of money on it from Stillman through my brokers, for I fully intended to support the market, as my belief in the stock was absolute.

I could have sworn Mr. Rogers inwardly chuckled at my fatuity, but I went right on:

“If Mr. Rockefeller has decided that your share and his of the allotment must, in whole or in part, be turned into money before the second section is tackled, there's nothing for it but to go ahead, and I will put in great work for you (I didn't add, “my work, if I can make it, will keep you in as long as the public have a share”), because,” said I, “my one ambition now is to complete the second section and get things in such shape that those people I have had locked–in so long can get out, if they care to.”

It was an intricate problem that was thus settled, for Mr. Rogers well knew that it would be useless to

attempt to sell big quantities of Amalgamated without my detecting it, and he dared not ask me to have a hand in his plot without including my own stock. When he saw I intended to stand by my baby, and yet was so anxious to get to the second section that I would accede to Mr. Rockefeller's wishes, he perceived that the situation was ideal for his purposes.

"Let me glance over that subscription list," I said; and I opened up the book, for book it really was.

My readers may surmise how intense was my interest in scanning the results of my work. This great stack of bank sheets before me was the official list of the subscription, stitched together in seventeen sections of twenty pages each; twenty-eight names, with city, State, street number addresses, and amounts subscribed to a page, all in ink in longhand.

"Better take them with you to the hotel and go carefully over the names and amounts," put in Mr. Rogers. "It certainly is a long job, but one that you must tackle some time, and the sooner the better."

Here was the missing link in my chain of evidence, delivered directly into my hands without a word of persuasion or cajolery. Providence played that hand for me surely. I concealed my jubilation by rattling along vociferously:

"I shall have to work over this a heap, sending out circulars and what not. It would have been better to have had it in typewriting, but I suppose Stillman didn't dare intrust it to the machine people. However, I can divide up the seventeen sections among different people and none will know the whole story. I will keep it in Boston with the other papers, and—gracious! what's this?"

"What is it?" he asked, smiling at my excitement.

In front of me was the section beginning with the "Mc's," and the largest subscription on the page was 6,000 shares—1,200 allotment. I followed the line back to the name. It was that of Hugh McLaughlin, then the big "boss" of Brooklyn, who, like all the other big bosses of New York State, was a trusted lieutenant of "Standard Oil." I put my finger on the amount and said:

"You have taken care of your friend across the river, I see. No wonder all the politicians were so anxious to get in, for they know you would not put this old gentleman into anything that is not pretty sure."

Mr. Rogers nodded wisely:

"Yes, I told the old stalwart he had better have about half a million, but he went \$100,000 better, I see. I sent the word around to the others, too, but have not had a chance to go over the list carefully. Have they all gone in under their own names?"

I ran over page after page, looking for names as he called them off, but most of them had disguised their ventures through dummies. We had no trouble in putting our fingers on their allotments, however; Mr. Rogers commenting in his sage and caustic way on men and politics. It was growing late, and at a natural stopping-place in our talk I sent for paper and string, with my own hands tied up the book, and—with all the airs of extreme leisureliness—literally bolted.

No school-boy with a three-pound trout caught in a deep hole under a big willow bearing the sign, "Any one fishing here will be prosecuted," no burglar with an unexpected fat swag, was ever in such a fever to lug his booty to a concealed place as I to get that infinitely precious bundle to the Waldorf. At last I landed it in my room and began to scan the interesting pages. My first thought was to look for our own big dummy subscription. As I supposed, it was not there. *Roughly I added the totals of the different sheets and compared them, with the 412 millions we had given the public, which was now indelibly, the world over, a matter of record.* Again I stopped to congratulate myself on my good fortune in securing this first-hand evidence of the fraud that had been practised on the people.

I leaned over the thick pages with their various inscriptions. The names and addresses carried me into every corner of the United States and into the great cities of Europe as well. Set down there were towns and villages I had never heard of, and my mind made pictures for me of fathers, mothers, and children, beguiled by my pledges and promises, embracing the opportunity to add to their scanty hordes. But it was not a moment to indulge in scares, so I slipped over the people's mites and fixed my mind on the millions.

The Lewisohns were down for eleven millions, and Mr. Rogers' old cronies, John Moore's firm, were represented by a subscription of between six and seven millions. As I ran over the names I found million after million down to Mr. Rogers' friends, which told me that he had spared no one. All the lieutenants and the queer people who do the confidential business of the "System," and invariably turn up at melon-cutting time,

Frenzied Finance

were down for round amounts. Conspicuous among the rest was the name of that rising votary of the "System" who won notoriety, while Comptroller of the Currency under President Cleveland, as manipulator of the slick bond deal which has gone into American history as among the queerest performances of its period. Loaded up with Government banking secrets, this young man subsequently became a prize for whom the various organizations of the "System" competed valorously. There he was, in three places—James H. Eckels, President of the Commercial Bank of Chicago, 6,000, 2,000, and 2,000 shares—or a million dollars altogether.

Another name caught my eye: "Bay State Gas Co., J. Edward Addicks, 20,000 shares"—two millions of dollars. I leaned back and laughed as I thought of this wary old fox, with the bruises and scars of the "System's" hopper thick all over his body, dutifully bringing his contribution to his old enemy, Rogers. And Rogers, disdainful and contemptuous of the man, found his \$400,000 good. This, I said to myself, is a case of spider eat spider with a vengeance; and I wondered if experience is really as good a teacher as the text-book says.

Hour after hour I pondered over that list, "sizing up" each subscriber and questioning what his financial condition might be. At last I dropped it, swearing to myself to use every effort to protect these thousands of people who had ventured so much money on the strength of my pledges.

Two days later the allotments were officially announced; in a few days more the receipts were issued and Amalgamated was fairly out in the world on its own feet. It was not listed on any of the exchanges yet, but it was very much in the mouths of people, and in the papers. And every day grew the ominous feeling that something was wrong. It was a contradictory situation and no one could put a finger on the trouble. Rumors one heard, but no definite derogatory statements. The truth was that those who knew what was wrong had good reasons for saying nothing, while all who had to do with stock affairs and surmised the evil, were themselves loaded up with the stock and hoping against hope that our promises of great profits would yet be fulfilled.

It was my part to keep up these anticipations and by hook or crook prevent Rogers and Rockefeller from unloading. I bought and bought to steady the market when no one else apparently would buy; and when I found others whom I could induce to venture, I had them relieve those who were faltering and who must sell. When Mr. Rogers took me to task, I invented all manner of excuses to account for my tardiness in creating a market on which he could unload his holdings. He listened impatiently and incredulously, and I felt that sooner or later he would take the bit in his teeth.

In spite of my efforts the price of Amalgamated dropped and dropped and it was all I could do to prevent a quick crash. My profits—the immense sum of money I had obtained at the settlement—had been used up, together with the great sums I had borrowed on my own allotment of shares. At intervals I stopped long enough to make brief excursions into sugar or other stocks, out of which I captured additional hundreds of thousands, but every cent of such gains went toward staying the avalanche. These indeed were days of desperation and black despair, all the more trying because I had to look happy and talk hopefully; all the more difficult because my enemies came out of their holes and did their share to balk my efforts; all the more painful because the public were beginning to doubt whether the second section was coming—and whether it had best come—and our Boston "Coppers" had begun to drop in value.

During all this time I had troubled myself but little about the Flower pool, which had been set going soon after the conversation in which Mr. Rogers had told me that he and Mr. Rockefeller intended to unload their stock. I concluded that the pool would surely get a share of what they had to sell, and showed no inclination to join in with it. But at last Mr. Rogers said to me:

"As every one is going into the pool, Lawson, it will seem strange if you are missing, so you had better send Flower your check and I will see you get it back later."

"For how much?" I asked him.

"A hundred thousand will be about right," he answered, and I sent it, and that was all I had heard of the subject until one day after the stock had been weaker than usual I received by mail a brusque notice from Flower & Co. to mail them another hundred thousand dollars. Immediately I called up the banking-house, and learned to my horror and astonishment that the pool had accumulated over 225,000 shares. I went at once to Mr. Rogers with Flower's call and said:

Frenzied Finance

“I know nothing whatever of this affair, Mr. Rogers, and as I have not been unloading any of my stock and have all I can do to keep up my end anyway, you will look after it, of course.”

He took the notice and said: “I will attend to it.” Remembering his intentions to unload, after what I had heard of the pool's accumulations I was not surprised at Mr. Rogers' willingness to take care of this matter of mine. It is of interest now, in looking back over our affairs, to recall that though there were several periods later when the sledding was hard, and I needed all the money I could lay hands on, he never offered to return me that hundred thousand, not even after the pool had liquidated, as will be shown later. In spite of this fact, in his readiness to hurl any charge or insult at me, he had his hireling, Denis Donohoe, recently make the accusation that I alone of all its members refused to keep up my payments to the Flower pool.

CHAPTER XXXIII. A RETROSPECT AND A MORAL

The crime of Amalgamated and its immediate consequences are before my readers. I have fulfilled the promise made in my foreword to expose to the people of America the manner in which they have been plundered and the methods by which the "System" habitually cheats them out of their savings. Robbery conducted on so gigantic a scale as I have pictured must necessarily simulate the natural processes of finance, and to understand the deep devices of the schemers requires a knowledge of banking and commercial practices which the average man has no chance to attain. If I had begun my story by stating exactly what constituted the crime of Amalgamated, my readers would not have grasped its heinousness. In the chapters that I have devoted to leading up to it they have been educated in the piratical practices of finance and financiers, and have acquired familiarity with the jugglery of corporations and the multiplication and division of stock certificates through which most of the great American fortunes have been created.

Depending still on the ignorance of its blinded dupes, the "System" again raises its brazen face from among the poison rushes of Wall Street and hisses, "Listen to what he calls a great crime—a simple business transaction. It is no crime, but a common practice of modern finance and by no means unusual or extraordinary."

No crime to take by a trick from thousands of the people thirty–six millions of the results of our great country's prosperity? Think of what this vast sum represents—the revenues of a year's work of 36,000 men earning each \$1,000. Think of it, ye millions who dig and delve and bear heavy burdens that your mothers, wives, and children may in exchange have a bite to eat and a couch to sleep upon!

The crime of Amalgamated, as I have explained it, constitutes a specific breach of the banking laws of the State and nation. But the legal aspects of the offence are trivial in comparison with the great moral crime which was consummated by Henry H. Rogers and James Stillman, in the National City Bank on that night in May, 1899. Through false representations and specious pledges and the credit of the names of "Standard Oil" and the National City Bank, thousands of people were beguiled into investing their savings in this Amalgamated Copper Company. Because of the promise of great gains other thousands mortgaged their homes, appropriated their wives' savings, even their employers' funds, and embarked in this fair–seeming enterprise. The greatest bank in America aided and abetted the conspiracy by the loan of its funds to lure the victims deeper into the toils. All in, the trap is sprung; the thousands are despoiled of their savings by familiar devices of finance, and throughout the land is spread a wave of misery, madness, and despair.

The crime of Amalgamated, a critical correspondent writes me, is purely a Wall Street offence, important to bankers and capitalists but of no consequence to the working men, the farmers, or the toiling millions who have no savings to invest in stocks. "Of what concern is it to us," says this writer, "how one section of the rich robs another of its hoardings?"

Poor fool! A few men cannot deprive even a few thousands of so great a sum as \$36,000,000 without working untold injury upon the entire body of the people. Such a stupendous sum looted from the coffers of the many and piled in the vaults of three or four men unbalances the whole economic structure of the nation. The consequences of that act do not end in the series of defalcations and bankruptcies, imprisonments and suicides, in the ruined homes and wrecked careers that follow in its immediate wake. In the grip of these plunderers entrenched in the stronghold of finance each of these filched millions becomes a new weapon of oppression. Because of the crime of Amalgamated every pound of food that goes to sustain life in the American people, every shingle on every roof that shelters the American people, every mile of transportation for man or freight in America; in fact, every necessity and every luxury of the American people has had added to its cost some fractional increase, representing in the aggregate tens and tens of millions annually, which, flowing into the coffers of the "System," strengthen and extend its stupendous grip on the property of the nation.

Our country for a generation has been prosperous beyond the dreams of man, yet what have the masses of our people to show for it? A better, a higher, and a MORE EXPENSIVE standard of living—that is all. That this prosperity which is our national boast will last forever is incredible. Sooner or later will come one of the

Frenzied Finance

times when Nature frowns and sends her floods, her droughts, and her epidemics of disease. Is the American people prepared by its long-sustained prosperity to bridge over that period of want and suffering?

The truth is that the mass of our population has not sufficient surplus laid by to last over thirty days of such a calamitous interval. All the unearned increment of national prosperity the "System" has captured and capitalized. Not only have the people been deprived of the profits of their labor, but this capitalized prosperity is the stern instrument by which new burdens are laid on their shoulders and new tithes are exacted from their wages. But for the plundering "System" the great mass of our people would be able to sit in their tents in the shade of their husbanded harvests and laugh to scorn the frowns of fortune. Now, I say, God help the nation when Nature, tired from her great work, rests, and the people, too, are compelled to rest—for then will come an awful awakening. When the millions face famine and realize for the first time that their gigantic storehouses, filled to bursting with the surplus of the past, are the property of the few who cannot even count the contents, much less use them—when they realize that these hoarded treasures are as far beyond their starved reach as are the violets and daisies beyond the picking of the galley-slave, then they will appreciate how much deeper and more damnable are the crimes of the "System," such crimes as Amalgamated and its like, than even such national tragedies as the assassinations of Lincoln, Garfield, and McKinley, at each of which all the people held aloft their hands in horror.

Why is it that the millions of intelligent, able-bodied Americans, who could crush the tribe of Rockefeller as elephants crush snakes, rise with each sun and dig and delve and suffer that a Rogers may wallow in wealth and an Armour gain a greater income than the Rothschilds? Why are they so easily hoodwinked into imagining that the elaborate reports detailing the immense and growing wealth of the country represent their own well-being and affluence? Because the wise men of the "System" know human nature, know that most men and women accept unquestioningly the conditions they find surrounding them. Each day it is pounded into the heads of the people through a hundred agencies that it is the greatest and most flourishing of peoples and that the laws and customs which regulate its lives and rights are the best in all the world. How shall the people know that these glowing rumors, these propitious tidings, are but the siren songs of the "System" under the spell of which it is despoiled of its savings?

Ask yourselves, my friends, how much you know about those familiar things which are part of your lives as are the sunshine, the grass, and the flowers—your Bible, your money, your playing-cards. Each is an institution so consecrated by custom that you accept it exactly for what it meant to your father just as he took it from his own father a generation before. That the Holy Book is God's message to His children, the human race, we know because we have the words of our ancestors therefor; the stamped silver and gold we take for granted as we do shoes and clothes, because money is an essential factor in the social fabric and the form in which it comes to us seems as inevitable as the moon or our ten fingers; humanity has gone on for hundreds of years considering the knave of greater value than the ten-spot and the ace of higher worth than all the rest of the pack, because it is content to believe that the rules that have been handed down apportioning these values are the best that could be devised. With a hundred other elements and details of our daily life, it is the same—we accept unreasoningly what we are told or what is given us, with no look forward or back, and, engaged with the thousand new toys and problems which Fate, the conjurer, shakes out of his hat, we become bound by habit and blinded by precedent.

The love men have for the formulas and conventions of their daily lives is the "System's" opportunity for plunder, and it is this fundamental principle of humanity that makes my work so difficult. It would be as easy to convince the masses that their playing-cards are all wrong and that the ace is really of lower value than the two-spot as it is to awaken them to the terrors of the conditions that are confronting them; to compel them to realize that a despotism of dollars is being organized among them; that the cherished institutions of generations are the instruments by which a few daring schemers are concentrating into their own hands the money of the nation, and that this concentration can have no other result than the abject slavery of the American people.

END OF VOLUME

LAWSON AND HIS CRITICS

I

THE INSURANCE CONTROVERSY

In the July, 1904, number of *Everybody's Magazine* I announced that I proposed to give to the world a story concerned with events which had taken place in real life—a true story.

I outlined it, giving the names of the persons and events it would deal with.

These things happened:

The edition of the magazine was sold out in three days; my chapter was printed in part or in full in nearly all the papers and periodicals of the United States and Canada; many of the representative journals, even in England, published long editorials on the subject, and with but few exceptions, editorials and news comments were favorable.

I was urged to continue. My second chapter appeared.

The magazine, with an additional 100,000 copies, was sold out in two days. The press took hold of the matter with even greater interest than it had accorded my first chapter.

The third chapter met with a still more cordial reception. The edition of the magazine, although increased another 100,000, sold out as before, and my mail expanded to a degree that surprised me. In addition to thousands of press notices and criticisms, I received ever so many letters from all classes of Americans and Canadians—teachers of the Word of God, and members of the flocks who are taught, earnest statesmen and insincere politicians, millionnaires and paupers, anarchists, socialists, municipal-ownershipists, and the hundred and one travelers on the beaten highways and lowways of life, who, spurred by ambition or unrest, pantingly seek a chance to blaze a way for the trudging millions of the future to that goal of all ambitious and restless dreamers—a people's Utopia. Nearly all appealed to me to give them the word as to the ultimate intention of "Frenzied Finance"—"Is it only to point to the sores, or will it prick them with its long sharp point and will its double edge cut the flesh in which they are rooted?" Others required further information or explanation about the subjects I had treated; another section questioned my statements and found fault with my disclosures. The volume of these communications and criticisms finally became so large and they were so urgent in tone that I made up my mind it was necessary to devise some fair and intelligent way to remove the writers' difficulties and resolve their doubts. The modern surgeon finds the preparation of a patient who is to go under the knife as important as the operation itself. My readers, unacquainted with the intricate details of finance and confused by the angry outcries and denials of those I had attacked, required education *en route* to be able to absorb and digest the hard facts and strong statements I was dealing out to them in monthly instalments. My publishers agreed with me as to the necessity of dealing in some radical way with the emergency, and devoted to my service additional pages in the back of *Everybody's Magazine*. Here I decided to begin a department to be called "Lawson and His Critics" in which I would solve the knotty problems my correspondents presented to me, set right their misunderstandings, and reply fully to those critics who had aspersed my motives or were attempting to discredit my message.

I began the department in October, 1904, and though I have been most seriously pressed for time, and in many instances have dealt imperfectly with the problems treated, I must say that the task I set myself has proved interesting and agreeable, and the letters the department evoked have been a tremendous source of inspiration and encouragement to me along the hail-stony road I had set myself to travel.

The bulk of the department during the months of 1904 was devoted to the subject of insurance. In an early chapter of my story I said that the three great insurance corporations, the New York Life, the Equitable, and the Mutual Life of New York, were an integral part of the "System," and especially instanced the New York Life as one of the most pliable tools of the "Made Dollar" makers. This statement, so mild and so vague in view of subsequent developments, was the first move in the historic controversy that has resulted in the extraordinary exposures that are being made as this book goes to press. When that first pebble was thrown, the surface of the insurance pond was as placid as a mountain lake, unruffled by a ripple, and in it were reflected the benignant faces of the noble philanthropists who consented to spend their days conserving the interests of the widows and the orphans of America. The people had grown so accustomed to regarding the McCalls, the Perkinses, the Hydes, the McCurdys, and the Alexanders, whose eminent physiognomies looked out at them from their insurance policies, as lofty and generous souls far removed from thoughts of self or self-aggrandizement, that my assertion caused consternation such as would occur in a Chinese temple if some rough intruder struck the idol, before whom a congregation was worshipping, with a stone. At once an

Frenzied Finance

avalanche of letters—protests, demands for further facts, anxious appeals from policy-holders—poured in upon me, and frankly I took up the subject, giving my readers exactly what they desired.

NEW HAMPSHIRE TRACTION

In order that the controversy may be unfolded in the manner in which it was first given to the public, I give here the first letter of the series, and then follow directly along with those passages from succeeding numbers that are devoted to the subject:

BUFFALO, N. Y., August 25, 1904.

MR. THOMAS W. LAWSON,

Boston, Mass.

Dear Sir: I have been astounded beyond measure at the revelations you make in your second article regarding the New York Life Insurance Company, because I have two policies in that concern which I am keeping up for the protection of my family. My confidence in the company has been shaken by your revelations, and I wonder if much more can be said. Perhaps it is best for clean life insurance to tell all now—the rest will be the better for it. Do you really believe the officers of the company personally profited from using the “cash on hand” of the company? Go on in your exposure; you are doing a meritorious work, and we poor devils, plodders, will never cease to thank you for your work. Should like to have you intimate if anything more about New York Life is coming.

Yours truly,

To this I replied: I desire to emphasize that the New York Life Insurance Company, which I cited, is no different from the Equitable and the Mutual Life, or many of the other large companies. They are links in the chain of the “System”—necessary links in the device by which dollars are “made,” by which the savings of the people are sucked from the people to the “System,” the “Private Things.”

I will, later in my story, dwell upon this tremendous phase of this stupendous question, and will only say at the present time, as an answer to such questions as “Buffalo's”: The insurance companies use the billions the people have placed with them to buy or create banks and trust companies, the stocks of which are a large part of their assets. They then use these banks and trust companies, which exist because of the people's savings, in stock gambling enterprises, speculations as unsafe and as frenzied as those of the wildest plunger of Wall Street. I will give one illustration:

The New York Life Insurance Company's directors and managers created the New York Security and Trust Company. \$1,000,000 capital; \$500,000 surplus—in all, \$1,500,000. \$150 per share, of which the insurance company held about two-thirds. The Trust Company soon secured deposits to the extent of about \$50,000,000, and these it loaned out by “financing” new and old enterprises. Among them was the New Hampshire Traction. The Trust Company flourished. Its stock advanced in price to over \$1,300 per share, or over \$13,000,000, and its different speculative ventures prospered exceedingly. New Hampshire Traction kept pace with the rest and simultaneously with them bounded upward in value until the amount of this stock owned by the Trust Company represented a value of between \$5,000,000 and \$6,000,000. There came a time when the directors of the New York Life Insurance Company decided to dispose of their stock in the Trust Company, and did so to a syndicate composed of their own members, headed by John D. Rockefeller, at \$800 per share. Afterward the stock disposed of at \$800 per share advanced to over \$1,300, or, with the third which had not been owned by the insurance company but by the “insiders” and their friends, to a total of over \$13,000,000. Then came the slump, and the price of the New Hampshire Traction fell to twenty-five cents on the dollar, and the Trust Company's stock to less than \$600.

If in all the histories of the wildcats of the wild catteries of Wall Street a wilder case of “frenzied finance” can be discovered, I don't know it, and yet this is only one of many I could quote, selected at random. Boiled

Frenzied Finance

down, it means that what was bought at \$150 went to \$1,400 and back to \$590, and that it changed hands at \$800 before it got to \$1,400, and that the plunger in this transaction, which made this plunging possible, was one of the most conservative life insurance companies in America.

I will answer "Buffalo's" question by asking another:

Suppose all the insurance companies have been doing business on the same scale, and have tied up billions of the people's money in such schemes as New Hampshire Traction, and the people, learning these facts, should demand their savings to the extent of the \$9,000,000,000 which they have deposited in banks and trust companies, what would happen? What would happen to the undigested securities, the insurance companies, the people's savings, and the policies such as "Buffalo" says he has purchased for the benefit of his family?

* * * * *

This statement precipitated a perfect flood of letters and queries, growing more urgent as the month wore on. It was impossible to answer all of them. I contented myself with replying to the letter of a prominent Philadelphia church-man, a policy-holder in the New York Life, who wrote as follows:

PHILADELPHIA, September 23, 1904.

MR. THOMAS W. LAWSON, Boston, Mass.

My Dear Sir: I have just finished reading the current article on "Frenzied Finance," and like "Buffalo" I am astounded at your statements regarding the "New York Life." I, too, have a policy in that company and have been led to believe that I was not only insured in the best and most conservative company, but that I had a first-class and perfectly *safe* investment as well. This particular company claims that not a dollar of its assets is invested in stocks of any kind, and yet, to quote from your article:

"The insurance companies use the billions the people have placed with them to buy or create banks and trust companies, the stocks of which are a large part of their assets."

Either you are manifestly unfair or else the company is guilty of deliberate falsehood for the purpose of deceiving the public.

As a policy-holder and prospective sharer in the surplus of the "New York Life," I am much interested in knowing whether its statements in regard to its investments are to be relied upon.

Will you take just a moment to answer the following question? Is the "New York Life" telling a falsehood when it states that not a dollar of its assets is invested in stocks of any kind?

Very respectfully yours,

I replied: The transaction in regard to the New York Security Company and the New Hampshire Traction stocks was exactly as I set it forth. I can imagine no one but an absolute idiot who would dare to set it forth unless he knew he was dealing with facts.

Your high position in the church should, in my opinion, peculiarly fit you to answer fairly your question, "Is the New York Life telling a falsehood when it states that not a dollar of its assets is in stocks of any kind?" when I unqualifiedly state the fact that the New York Life owned the millions of the New York Security Company's stock; that it paid \$150 a share for them and sold them to a syndicate of its own directors at \$800 per share, and that the stock afterward sold at over \$1,300 per share, and still afterward dropped to less than \$600 per share. I did not wish to be unfair to the New York Life, or I should have stated, what I shall endeavor to show before my story is ended, that at the time the New York Life parted with these shares to their own directors at \$800 per share they were actually worth and could have been sold for hundreds of dollars per

share more.

THE HONESTY OF THE ONE MAN

At this the big insurance companies uncovered their guns, and soon the air, the newspapers, and my mail were full of underwriting explosions. It was necessary then to line up my forces and to go at the attack seriously. So, having carefully thought out a campaign which my knowledge of the men whom I was antagonizing taught me would bring results, I began, in December, as follows:

When I began to write "Frenzied Finance" I specifically stated that I should not concern myself with men, but with principles. I held that to put an end to the plundering of the people required more than the denunciation of individual criminals; that the real peril lay in the financial device through which the plundering was done and the "machine" developed for their operation. The "machine" is the tremendous correlation of financial institutions and forces that I call the "System," and the most potent factor in the "System" is the life insurance combine—the three great insurance companies, the New York Life, Mutual Life, and Equitable, with their billion of assets and the brimming stream of gold flowing daily into their coffers. That I should have to discuss the relation between the "System" and these great institutions was inevitable; but, knowing how vitally interested the public is in the preservation of the gigantic structures its savings have erected, I had thought to treat this phase of my subject later on, when my readers should be absolutely convinced by what had preceded it of the honesty and fairness of my purpose. Moreover, it did not seem possible to touch on life insurance conditions without involving the men who direct the three great companies, and whom policy-holders and the people at large have been taught to regard as men of wellnigh miraculous sagacity, integrity, and beneficence. With these men I have had none but the pleasantest relations, and determined as I am on the performance of my task, I go about it with the reluctance a surgeon feels when, in order to save a friend's life, he must amputate his limb.

A contingency has now arisen which compels me to depart from my rule and to discuss much more frankly than I had purposed at this juncture, the New York Life Insurance Company, the system which controls it, and its president, John A. McCall, the "System's" representative.

In reply to the inquiries of an anxious policy-holder, who had taken alarm at my statement that the funds of these great corporations were under the control of the "System," I stated in the October issue of *Everybody's Magazine* that the New York Life was, as well as its so-called competitors, the Equitable and the Mutual, as much a participant in the frenzied speculation of the period as were the plunging Wall Street stock gamblers; but in giving an illustration of its methods (the New York Security and Trust Company and the New Hampshire Traction Company) I selected a case which would not unnecessarily alarm nervous people, for the transaction showed an enormous profit as the result of a wild stock plunge, instead of an enormous loss—some of the New York Life's other deals were much less fortunate. When I stated that the New York Life disposed of its interest in the Security Trust Company to its directors for four millions of dollars, which represented a gain of over \$3,000,000 on its original investment, I was careful not to state that the shares for which they paid \$800 each were worth at the time \$1,300 each, or \$7,000,000 for what was sold for \$4,000,000—particularly careful to state that they were afterward worth this additional amount.

Policy-holders in the three great life-insurance companies may argue: "The man who is known to us policy-holders as the real head of the New York Life is John A. McCall, its president. All that you may say about the 'System's' votaries being in control may be so, but we depend on the integrity and the character of this one man to protect our interests. He is our representative, not the 'System's,' and our savings are surely safe in his strong hands."

There is the point. In the great insurance corporations that are "one-man run," the hundreds of thousands of policy-holders have but one protection. This, notwithstanding the protection of the State laws, the guardianship of the Insurance Department of the various States, and the provisions of the company's charter and by-laws.

However impregnable may seem the safeguards which the law has built round the administration of our great insurance companies, the fact absolutely is that the honesty of "the one man" is the one potent protection policy-holders may depend on. The others may be juggled with as are the rules of the Stock Exchange, which say in thunder tones, "All within our sacred walls is honest and honorable," when in reality if the microbes of dishonor and dishonesty generated within Stock-Exchange walls each busy week of every year should be

Frenzied Finance

collected and disseminated throughout the land, they would give typhoid of the soul to our eighty millions of Americans. So it becomes the duty of every policy-holder to find out by such tests as he can apply, "Is 'the one man' who runs our company an honest man or is he a dishonest man?" If "the one man" stands their tests, if he emerges from their ordeal clean, strong, honest, as they believed, then they may rest awhile in patience. But if he is revealed as dishonest, then it behooves the policy-holders of that company to take measures for the protection of their interests. The welfare and happiness, perhaps the very lives of their mothers, their wives, and their children depend on their action.

I was recently waited upon by an important man.

"Lawson, what are you doing in life insurance?" he asked.

"Giving facts about the life-insurance branch of a 'System' which is foully plundering the people," I answered.

"What are you trying to do?"

"Educate the millions of life-insurance policy-holders to their present peril; after they are educated, arouse them to quick, radical action."

"What are you going to do?" he asked.

"I am going to cause a life-insurance blaze that will make the life-insurance policy-holders' world so light that every scoundrel with a mask, dark-lantern, and suspicious-looking bag will stand out so clearly that he cannot escape the consequences of his past deeds, nor commit new ones."

"Have you figured the consequences to yourself?"

"Having no interest in what the consequences may be to myself in performing what I have decided is a sacred duty, I have not."

"Let me show them to you. First let me ask, do you intend to confine your criticisms to the New York Life Insurance Company?"

"I intend to bring out the facts, particularly as to the New York Life, the Mutual Life, and the Equitable Life; and, so far as in my power lies, as to every other life-insurance company in America that is connected with the 'System.'"

"Are you actuated by any selfish motives—gain, revenge, or friendly interest in certain life-insurance companies or banks or trust companies?"

"My only interest is to perform a duty in righting a startling wrong, and I would not undertake the terrible task if I could possibly avoid it."

"I am sent to ask you these questions, to find out whether, if you are only seeking to serve the policy-holders, and the insurance companies can absolutely prove to you that your making public your facts will cause terrible destruction to policy-holders' interests, you will consent to forego the life-insurance branch of your story?"

"I know the facts. I have calmly, and I believe intelligently, reviewed the effects of their being given to the world, and have concluded that the damage to policy-holders and the people would, in any circumstances or conditions, be greater because of my not doing what I have decided to do than by my doing it. Therefore I will not in any circumstances consent to stop until I have laid before the world those things I consider it should know."

"Well and good. Let me show you what you are up against. The Equitable, the New York Life, and Mutual Life Insurance Companies, and their affiliated institutions and individuals, are to-day by all odds the greatest power in the world, greater by all odds than any power that can possibly be gathered together from those outside themselves, a power so great that the effort of no man nor party of men outside themselves can possibly prevail against their wishes."

"Stop where you are for a minute," I answered, "and let me run over to you what I know I am up against, and then you can judge whether I appreciate the difficulties of my task:

"First, the three companies I have named have absolute possession of property and money in the form of assets of over \$1,000,000,000—more than half the combined assets of all the insurance companies of America—and indirectly, through their affiliated institutions, of an additional sum, the aggregate of which is much greater than the assets of all the national banks of America and the great financial institutions of Europe, such as the Banks of England, France, and Germany. The three have a ready cash surplus of almost

Frenzied Finance

\$200,000,000, which is greater than the combined capital of the four greatest institutions of Europe—the Banks of England, Russia, France, and Germany. The income of these three companies is, each year, \$100,000,000 greater than the combined capitals of the Banks of England, Russia, France, and Germany—or about \$250,000,000, \$200,000,000 of which is taken each year from their policy-holders in the form of premiums. Yet from out of this income there is returned to their policy-holders each year in dividends less than \$15,000,000, and in total payments of all kinds not over \$100,000,000. And yet these three companies pay out each year in what they call expenses to keep the concerns running \$50,000,000, paying to the officers of the companies \$3,000,000 in salaries, almost \$1,000,000 to their lawyers, and a number of millions in various forms of advertising.

“Second, the three companies are absolutely steered and controlled from a common centre, and the men who do the steering and controlling are the 'System's' foremost votaries, Henry H. Rogers, William Rockefeller, James Stillman, and J. Pierpont Morgan through George W. Perkins, a partner in J. Pierpont Morgan & Co. Mr. Rogers, vice-president of the Standard Oil Company, is a trustee of the Mutual Life and a director in one of the largest trust companies owned by the three great insurance companies, the Guaranty Trust Company of New York. William Rockefeller, vice-president of the Standard Oil Company, is a trustee of the Mutual Life and director in the National City—the 'Standard Oil'—Bank. James Stillman is a trustee of the New York Life, and president of the National City—the 'Standard Oil'—Bank of New York. George W. Perkins, partner of J. Pierpont Morgan & Co., is vice-president and trustee of the New York Life and a director in the National City—the 'Standard Oil'—Bank; while John A. McCall, the president of the New York Life, is a director in the National City—the 'Standard Oil'—Bank.

“These great institutions own a majority of the capital stock or have absolute control of a number of the leading banks and trust companies of New York and elsewhere; and such ownership shows conclusively the linking together of the three great insurance companies. For instance, the Equitable owns more than a majority of the stock of the Mercantile Trust Company of New York, of a book value of about \$4,500,000 and a market value of almost \$13,000,000; and of the Equitable Trust of New York, of a book value of \$5,500,000 and a market value of \$9,000,000; and of the Bank of Commerce of New York, of a book value of about \$8,000,000 and a market value of over \$9,000,000; and in the directory of the Mercantile Trust of New York and Equitable Trust is E. H. Harriman, one of the leading 'Standard Oil' men and one of the active votaries of the 'System,' while in the directory of the Bank of Commerce are the president of the Mutual Life and seven other trustees of the Mutual Life and three of the trustees of the New York Life.

“The Mutual Life owns stock of the Bank of Commerce, of a book value of \$4,500,000 and a market value of \$7,500,000; of the United States Mortgage & Trust Company, of a book value of \$2,000,000 and a market value of \$4,500,000; and of the Guaranty Trust Company of New York, of a book value of \$1,250,000 and a market value of \$5,500,000. The directors of the United States Mortgage & Trust Company consist of eight trustees of the Mutual Life, including its president, and two trustees of the Equitable Life, while in the Guaranty Trust directory is the president of the Mutual Life, Henry H. Rogers, and E. H. Harriman, 'Standard Oil' votary and director in the Equitable.

“In addition to these financial institutions, the Mutual Life has about \$20,000,000 of its funds invested in the stock of twenty-five other trust companies and national banks, while the Equitable has about \$10,000,000 invested in some fifteen other trust and banking institutions.

“Third, the absolute control of the three great companies, and through them of their subsidiary financial institutions, while supposed to be in the hands of the policy-holders, is entirely beyond their regulation, as all policy-holders of the three companies give over complete control of their companies to the 'System' through the following machinery: The control of the New York Life rests absolutely in President McCall, that of the Mutual Life with President McCurdy. Originally these men were elected to office by policy-holders' proxies, voted by the great general agents; but so immeasurable has been the growth of these corporations that only rebellion among policy-holders on an international scale could oust from power the McCalls and the McCurdys. The control of the Equitable Life rests in the \$100,000 of capital stock which is almost entirely owned by the men who elect themselves to manage the company.

“Therefore you will see that I fully comprehend that this power, which you claim to be, and which undoubtedly is, the greatest on earth, is absolutely, for all practical purposes, in the hands of three men, and

Frenzied Finance

that any one who attempts to do anything contrary to what this power allows will find himself opposed by practically unlimited money, which can be used first to corrupt all sources of help, including State insurance-law enforcers, and then to keep such corruptions from the policy-holders by subsidizing the press. In other words, you see that I fully comprehend that I, or any man or any body of men, would be absolutely helpless in an attempt to correct present evils unless we could do two things: First, show to the policy-holders of the great insurance companies that they are absolutely in the hands and at the mercy of 'one man,' and next, that this 'one man' is unscrupulous."

In other and different ways I had it forcibly impressed upon me that I must go no further in connecting the life-insurance companies with "frenzied financiering"; that while the "Standard Oil"-Amalgamated-City Bank crowd might bide their time for reprisal and vengeance, the great insurance companies must at any cost instantly squelch those rash souls who dared to cross their paths. To all such warnings I replied that a life-insurance company, especially great institutions with hundreds of thousands of policy-holders, must be as far above suspicion as Cæsar's wife; that the security of the immense funds in their possession must be as unassailable as the United States Constitution; but that immunity from criticism could be secured only by honesty of purpose, honesty of method, and honesty of results; and that I would follow "frenzied finance" wherever it might lead, even if the exposure brought every life-insurance concern in the country down to the ring-bolt of making public confession of complicity. But with all my knowledge of the "System's" weakness, I never dreamed of the condition of fatuity into which the past few years of unbridled "frenzied finance" have plunged its votaries. If the correspondence that follows here correctly represents the purposes and the methods of great American life-insurance companies, I ask my readers what quick, sharp, effective means should be taken to call a halt and rescue the billions of the people's savings before it is too late. And I ask all policy-holders in the great insurance companies to weigh carefully what follows, that from it they may decide the question.

As soon as it became fixed in the minds of the different interested parties who had communicated with me that my purpose was unalterable, queer things happened:

First, there appeared in the press of the country, under large, black headlines, the startling confession of the editor of a New York financial paper, who, conscience-stricken, admitted that he had been engaged in the systematic blackmail of insurance companies and officials and Wall Street institutions such as banks and trust companies. It was a curious document, and even the casual reader must have wondered at the mysterious lack of detail. The paper, I found out later, was one of the innumerable swarm of journalistic insects generated, like mosquitoes, in the financial swamps of Wall Street, destined to live a day and die as they deliver their sting, and the attention given it was curiously out of proportion to its importance. Among other queer things, the editor announced that after printing his confession he would disappear; no names were mentioned nor a fact printed which identified any one or anything. All this could not happen without a motive, and I said to myself, "The 'System' is planting a mine for some one." Not another word appeared. I awaited developments. On October 8th I received the following letters, which tell their own story:

FREMONT, OHIO, October 6, 1904.

MR. THOMAS W. LAWSON, Boston, Mass.

My Dear Sir: I have followed with intensest interest your discussion of "Frenzied Finance." The *exposé* of the "System," and its Machiavellian performances, was highly interesting to me. I was associated with Attorney-General Monnett in his effort to get testimony and the inside facts concerning the trust and its operations in his prosecution against that corporation for violating the Ohio anti-trust law. At that time the books of the company were burned in Cleveland, and, as stated in your article, the company now relies upon the superior memory of Standard Oil.

I was well aware of the connection of certain life-insurance companies with Morgan and the Rockefellers, but until your public charge, was not familiar with the details. As I had

Frenzied Finance

considerable money invested myself in New York Life Insurance I wrote John A. McCall a bitter letter. In this age of commercialism sentimental benevolence gets little place. The common sentiments of humanity and appreciation of responsibility admonish one in moderate circumstances or even in affluence to invite the co-operation of others in providing for those dependent upon the individual hazard of life and fortune. Life insurance has come to be a sacred thing. It is the substantial token and expression of responsibility which a reasonable man dying leaves to those dependent upon him. I so wrote Mr. McCall, and told him that if the head of a great institution like the New York Life Insurance Company would be guilty of such perfidy as charged by you, the organization which would retain him in a position of responsibility was undeserving of confidence or patronage.

[Illustration: PHOTOGRAPH OF JOHN A. MCCALL'S REPLY TO H. C. DERAN, THE POLICYHOLDER WHO HAD ASKED FOR A DENIAL OF MR. LAWSON'S CHARGES.]

I enclose for your inspection Mr. McCall's reply. This is doubtless a sample of the sort of campaign waged throughout the country by the "System."

I enclose stamped envelope for the return of the McCall letter, as I purpose continuing the correspondence until I force him to an issue.

You will observe the very palpable evasion of the issue. I asked him if the details of the transaction described in *Everybody's*, in which the New York Life Insurance figured conspicuously, were true. He answered by saying that he made money out of the trust company venture and retired. The fact that New York Life money is so deposited as to suit the convenience of the "System" in its heads—I win, tails—you lose, operation, is a matter which has escaped the attention of the astute financier. I have written him further, calling his attention to the fact that his letter conveys no information not heretofore made public in circular but that my inquiry was directed to the particular transaction alluded to in *Everybody's*, and requesting a flat affirmation or denial.

Trusting that these facts may be of assistance to you, I am,
Yours very truly,
(Signed) H. C. DERAN.

I shall spare my readers the enclosures. They were newspaper slips, printed on fairly thick paper, reproduced from unknown publications, and obviously put forth to discredit me by implication. One, headed "A Frenzied Financial Blackmailer," from the *Vigilant*, New York City, September 30, 1904, presented the confession, previously referred to, made by the editor of the *United States Investors' Guardian*, and an editorial denouncing the blackmail of financial corporations. Another slip was "Stamp out the Fake Financial Newspaper Publisher" from the *Fourth Estate*, New York City, October 1, 1904, in which the wickedness of the aforesaid editor came in for further moral castigation.

At once, as I read these letters and ran over the printed slips pinned to Mr. McCall's, I realized the purpose of the blackmail editor's confession and just how so much space came to be given it in the daily papers. Insurance corporations are large advertisers[20] and enjoy great popularity in the business offices of great

Frenzied Finance

newspapers. It is not said in these clippings that either Mr. Lawson or *Everybody's Magazine* belongs to that lowest order of criminal, the self-confessed black-mailer, but the suggestion is obvious. Every policy-holder throughout the world who received these enclosures attached to letters from the greatest insurance president in America would instantly supply the connection—"Frenzied finance black-mailer"—that's intended for Lawson, surely; 'Frenzied financial journal'—*Everybody's Magazine*, beyond question."

Will my readers weigh carefully this awful charge:

"Thomas W. Lawson, in addition to being a frenzied financial black-mailer, is attacking the New York Life Insurance Company because he tried to secure insurance from that company, and that company would not give it to him. His attack is made in the interest of some competing company."

Again, I ask that it be kept in mind that all this is not said by an insignificant and irresponsible trickster, but is deliberately put forth by the greatest insurance president in America, over his signature, to his policy-holder No. 826,152 and 957,006.

Soon afterward, in its issue of October 20th, a well-known organ of the insurance companies, *The Spectator*, published in New York, had a long article dealing with malicious attacks on our great insurance corporations, specifically mentioning my accusation against the New York Life. "Mr. Lawson was actuated by the meanest motives," says *The Spectator*.

Extract from *The Spectator*, October 20, 1904:

Mr. Lawson, in the hypocritical rôle of a would-be-reformed-speculator, is a figure calculated to stir the risibilities of all who have watched his antics and read his articles, *especially when each one of the companies he mentions has repeatedly rejected him for insurance.*

Letters to policy-holders from the New York Life Insurance officers poured in on me from different parts of the country, all containing the same defence and the same accusations as the one above, and signed by vice-presidents of the company as well as President McCall, showing conclusively that this great corporation as a corporation had deliberately adopted this method of meeting my serious yet conservatively put business accusations.

President McCall's defence of the New York Life Insurance Company and his reply to my accusations are now completely before my readers. Let us see if there is not a chance here to determine the grave question, "Is 'the one man' who runs each of our great insurance companies honest?"

The facts are: During the past twenty years I have been importuned, begged, and hounded by the several great insurance companies of the United States to take out policies with them almost upon any terms I might name. Of this statement I could present more photographic proof than would fit in any one issue of this magazine, but most of it would have no bearing on the point at issue.

In the present year (1904)—to go no further back—John A. McCall has repeatedly urged me to come into the New York Life Insurance Company. Absolute evidence of the truth of this assertion is presented below. Mr. McCall's letter reproduced here would be accepted as complete proof in any court of justice. In the correspondence that follows this first letter it will be seen that Mr. McCall left no stone unturned in his effort to get me into the New York Life Insurance Company. A duplicate of the communication sent to my residence went on the same date to my office. To quote his own words, "I hope you may" and "I may have the pleasure of welcoming you either to new or increased membership in this great mutual insurance investment." Then, his anxiety being so great, after waiting four days for a reply he sent his special agent to argue with me, and, on the following day, his Boston manager to urge me further.

[Illustration: PHOTOGRAPH OF LETTER FROM JOHN A. MCCALL SOLICITING INSURANCE, SENT TO MR. LAWSON'S HOUSE.]

[Illustration: PHOTOGRAPH OF HEADING AND SIGNATURE OF JOHN A. MCCALL'S LETTER OF JANUARY 22D, SENT IN DUPLICATE TO MR. LAWSON'S OFFICE; OF SPECIAL AGENT GILLESPIE'S LETTER OF JANUARY 27TH; OF MANAGER HAYES'S LETTER OF JANUARY 28TH. THESE THREE LETTERS SOLICITING INSURANCE, FOLLOWED EACH OTHER WITHIN A PERIOD OF SIX DAYS.]

Is it any wonder that I called the history I am writing "Frenzied Finance"? The man who wrote the letter

Frenzied Finance

practically saying that I was a black-mailer and that my reason for attacking the New York Life was my anger because he would not take me into his company, and the man who wrote the ones begging me to come in, are one and the same; and he absolutely controls directly \$400,000,000 of the people's savings in the New York Life, and indirectly unnumbered millions in affiliated institutions!

I think the case is complete. The policy-holders of the New York Life have an opportunity to decide whether the "one man" who runs the great institution in which their savings are invested is honest. In making up their minds, I implore them not at the present time, or at least until the question has been more fully ventilated, to allow their policies to lapse. Under any and all circumstances they should keep up the payment of their premiums, for the one thing especially desired and schemed for by some of the "frenzied finance" insurance companies is a wholesale lapse of policies.

Some few years ago the financial world learned with great interest of a new and very useful invention in finance. A group of individuals who had been buying large quantities of a certain stock at a low price, found they could not, on account of the fact of its overcapitalization having become known to the public, resell it; and they were, to use the stock-gambling term, "hung up" with it because it was too water-logged to float. It became necessary to disguise its identity. Here's how they did it: They formed a "syndicate," to which they "turned over" their stock at a good profit; the "syndicate" in its turn put it "in trust" by simply depositing the stock certificate with a trust company, which in its turn issued against the stocks thus held a new security, which it called a "bond." For these a ready market was found, for the word "bond" is still a term to conjure with in the world of finance.

This seemed such a serviceable arrangement that the originators soon had many imitators. Many "syndicates" were formed, and many so-called "bonds" were put on the market. In most cases the stocks were purchased at a low price, turned into "trusts" at double their cost, and then paid for by means of these certificates, dubbed "bonds." As one stock after another was converted into syndicate certificates—"bonds"—the familiarity of the procedure robbed it of its novelty and these "bonds" were quoted and dealt in much as other and more tangible securities bearing the same name. Perhaps this is why the startling announcement of the New York Life Insurance Company made about this time, that it proposed to sell all its stocks and thereafter hold nothing but bonds, created so much less of a sensation than was anticipated. The term "bond" had become vulgarized.

This excellent example would undoubtedly have had many followers but for the humor of the Tobacco Trust. This robust institution, with an immense amount of watered stock, audaciously poured it all but a small amount into bonds, \$157,000,000 of them, and with a fine trumpet-blast proclaimed these "bonds" safe investments for widows, orphans, and insurance companies. Even Wall Street, with its frenzied votaries and its frenzied environment, was staggered. The culmination of these conversion performances was the brilliant plan evolved by George W. Perkins, the junior partner in the firm of J. Pierpont Morgan & Co., vice-president of the New York Life Insurance Company and expert investor of its vast surplus, to have the United States Steel Trust purchase some \$200,000,000 worth of its own water-logged stock and convert the same into more "absolutely safe bonds"; for its most valuable services in the turning-over process the Morgan firm was to have a commission of some forty millions of dollars. At this juncture "frenzied finance" became gagged with its own froth, and I have not space here to go further into the subject.

The New York Life Insurance Company declares to its agents, policy-holders, and prospective policy-holders that it no longer holds stock securities. In its last report to the Insurance Commissioners there are set forth stock securities of the kind I have described above, to the amount of fifty millions of dollars. I will give one illustration:

"Northern Pacific—Great Northern—C., B. & Q. collateral 4s, book value—\$12,057,132.59, market value—\$11,375,000."—(From the official report to Insurance Commissioners.)

Now, these bonds are nothing more nor less than Chicago, Burlington and Quincy stock of a par value of \$100 per share, which shares were purchased by individuals, and had "bonds" issued against them at \$200 per share. (Northern Pacific and Great Northern stock in about the same proportion.) In the sense in which the public look upon the old bonds of railroads this "bond" is no more a bond than it is a Government bond. It is nothing more nor less than a stock security, *and yet President McCall says in his letter printed above and sent by him to policy-holder DeRan that the New York Life does not and cannot invest its surplus in stock*

securities.

THE TRUE STORY OF HOW I WAS “BLACK-LISTED”

The publication of President McCall's letter and the charges which accompanied it attracted so much attention that the “Big Three” were flooded with letters from policy-holders demanding information. In the January, 1904, issue of *Everybody's Magazine*, I continued the controversy. After reviewing the conditions of the previous month's argument, I went on:

In entering upon the exposure of the most powerful body of men in the world, I knew quite well what I was “up against,” and deliberately decided that in the conduct of my fight I would use such strategy as I believed proper to outwit so strong and so unscrupulous an adversary. One can hang a dog as well with a cord as with a hawser, and in proving my assertions I am quite willing that the insurance companies should believe each play is my best card. I decline, however, to show my hand.

In reply to the charge that I was attacking the New York Life because I had been refused insurance by that company, as positively stated in Mr. McCall's letter, I reproduced a letter written and signed by President John A. McCall, dated 1904, soliciting me to take out insurance in his company. I printed parts of three other letters, one directed to my office, also signed by Mr. McCall, another from the special agent, and a third from the Boston agent of the New York Life, supplementing Mr. McCall's letter and requesting the privilege of an interview.

This correspondence was put forth with a thorough understanding of its nature. The publishers of *Everybody's Magazine* and my own lawyers, to whom I submitted it, both pointed out that the insurance companies would undoubtedly take the ground that the McCall letter was no more than a circular that had been sent out to a number of capitalists and had gone to me by mistake. I replied that such a rejoinder would practically amount to an admission that the statement and signature of the highest officials of the New York Life were valueless and without significance, which would place President McCall in an untenable position. If his signature were valueless and without significance when appended to a letter addressed to me, why not in other instances if the interests of his corporation seemed to require such a disclaimer? Considering my argument, would not such a confession have a pregnant bearing on the proposition—is the “one man” honest, especially as I was equipped with additional documents to offset further attempts on the part of the insurance companies to show me up as a disappointed seeker after their policies?

Here, specifically, are the details of my encounter with the life-insurance institutions, and I pledge my word to my readers that they constitute all the facts in this connection. They are well known to the prominent men associated with the great companies whose duty it is to keep track of just such transactions. Whoever knows by experience of the incessant pursuit of business by the important insurance corporations need not be told that a man in my position has had his share of importuning by agents great and small. I have never sought life insurance, for it has not appealed to me as an investment, but on three separate occasions I have yielded to the persuasions of a friend connected with one of the big institutions and have considered the subject. The first time was in 1887, following a breakdown from overwork. This illness my friend used as an argument to induce me to take out insurance, and I went so far as to agree to submit to a private medical examination by the leading physicians of his company for the purpose of ascertaining if my breakdown, which for a brief time had left a trace of paralysis in my left side, would bar me. This examination was at my own expense, and it was expressly understood that, being private, it should not constitute a record. The physician pronounced me a perfect risk, but advised against going further inasmuch as a rigid rule of the company precluded them from granting insurance to any one who had suffered from this form of illness until seven years after the attack. I was not disappointed except on account of my friend.

Five years later his solicitation was renewed and I was assured that the officials of his company were so eager to have me that they would waive the seven-year rule, which still had two years to run. This time I went up before another medical examiner, and after the usual tests, was asked the stereotyped question if I had ever previously been rejected for life insurance. My friend replied for me—no. I, however, in spite of his protests stated fully the conditions of my previous examination, which the doctor assured me did not constitute an official rejection, and the application was filled out. In the conversation that ensued, the doctor said that it was safer to await the expiration of the seven years, and I being still indifferent, except to my friend's interest, accepted the apologies of the several people concerned for the trouble I had taken and let it go at that.

Frenzied Finance

Four years later, in 1896, after the attack of appendicitis which I described in the December, 1904, instalment of "Frenzied Finance," again my good friend the agent came to me and used the incident of my narrow escape from death to impress upon me once more the desirability of having a large policy of life insurance. Those who have read the "System's" disclaimer, will remember that I had been blacklisted since 1892. There were the usual consultations with high officials of the corporation, and when all preliminary bargains had been arranged, I underwent a thorough examination in New York. This time, the seven-year term having expired, I was pronounced a perfect risk. But my latest illness had brought me up against another waiting rule, and once more the subject was abandoned after the usual expressions of regret and good-will. Since 1896 my connection with life-insurance companies has been about the same as that of a molasses barrel with the industrious flies in summer.

The interviews of 1892 and 1896 are both matters of record. My position in each instance was well understood, and several insurance officials who know the facts as well as I do have, since the publication of the company's statement, come to me and offered to back up my assertions with their own. American manhood is certainly not extinct when men are willing to sacrifice their careers to set a wrong right.

The manner in which the great companies have met my rejoinder to President McCall will afford my readers an excellent illustration of how the "System" goes after a man who has excited its antagonism.

A few days after the publication of the December issue of *Everybody's Magazine*, containing my fac-simile of President McCall's letter to policy-holder DeRan and his two letters to me, the Life Insurance Underwriters met and "resolved" that I had applied for insurance in the New York Life Insurance Company in 1892, and being asked if I had ever been refused insurance, had replied in the negative. Investigation showed that I had been refused four years before by two other companies, whereupon my application was rejected and I was practically black-listed, and so could not secure life insurance in any American company. By way of corroborating this plausible story two letters, purporting to have been written by agents of the two companies to their head officers without my knowledge, were incorporated in the resolution. The letters stated that the writers could secure me for a large amount of insurance if the companies would accept the risk. The virtuous corporations were alleged to have replied that Mr. Lawson had been refused life insurance before, and for good reasons was not desired as a risk. This resolution was then published throughout the press of America in the news columns, and to all but those initiated in the desperate practices of the "System" and its votaries, it was conclusive evidence that an unprincipled man had been convicted, red-handed, of fraud.

You who read this statement of mine doubtless found the resolutions in your own paper, and thought it ordinary news-matter printed because of its public interest. This notice was an advertisement disguised as news, and inserted through the "System's" professional character assassinator, whose head-quarters are in Boston, a person who will occupy a prominent part in the chapters of my story wherein I treat of the crimes of Amalgamated. The publication cost the insurance companies \$2.50 per line of the policy-holders' money, while advertisements that I insert in the course of my private business cost me but 75 cents per line.

HOW THE "SYSTEM" MAKES ITS PROFITS

It appeared that I had sinned still further, for had I not questioned the virtue and integrity of the New York Life's securities? To policy-holder DeRan, Mr. McCall had stated, over his own signature, that the New York Life did not and could not own stock securities. (See the DeRan letter on page 428.) I proved from the regular insurance reports that millions of the New York Life's bonds were no more than disguised stock securities, created by the new device of depositing stocks with a trust company at an inflated price and issuing against them a receipt which is arbitrarily called a "bond." I mentioned, as an illustration, the Northern Pacific-Great Northern-C., B. & Q. Collateral 4s, created out of the stock of the Chicago, Burlington & Quincy and other railroads. I could have selected a much worse type of security, just as, instead of the typewritten letter of Mr. McCall, I might have published others of a more personal nature.

Against me out sallied 2d Vice-President Perkins, brother of George W. Perkins, 1st Vice-President of the New York Life (J. Pierpont Morgan's partner), and at a banquet in Philadelphia boldly answered my aspersions by declaring that the bonds I named "are printed in the list of holdings which the company publishes in detail, and has published for the last five years, in order that its policy-holders may be informed of its affairs in the minutest detail." The convincing logic of this rejoinder the dullest will appreciate, but for a moment I must stop to remind Mr. Perkins that the publicity on which he plumes himself is really not an

Frenzied Finance

expression of the New York Life's individual frankness, but merely an observance compelled by the law.

All this recapitulation has been for a purpose. My readers will bear in mind before taking hold of my next exhibit that the great insurance companies have published me as a falsifier, who since 1892 has been refused insurance and black-listed for good reasons, and have claimed that Mr. McCall's letters were circulars sent me by mistake. We are still considering the problem—*are the men who run our great insurance companies honest?* Well, look at the reproduction on page 442 of a document that is now in my possession and has always been since the date when it was delivered to me by one of the three great representatives of the “System,” the Equitable Life Insurance Company.

This document speaks for itself. My readers are aware of the negotiations and investigations which precede the making of an insurance contract. To them and to the “System's” votaries I recommend the exhibit and the underwriters' resolutions as a simple lesson in frenzied finance.

My charge that the directors of the great life-insurance corporations of America use the funds of the companies they control in stock speculation for their personal benefit is but one contention in my argument against the character of their management. Here I formally add another charge: It is that in the placing of loans, in the purchase of properties and securities, and in the underwriting of enterprises, there are enormous profits made, directly and indirectly, which are pocketed by individuals and are never shown on the books of the corporation.

The basis of life insurance is security. A policy-holder pays his premium to enable the corporation accepting it to make good its contract with him when death or time matures it. The vast sums in the possession of the three great companies are accumulated to safeguard their policy-holders, and should be invested only in securities of tried and solid worth, which will bring in no more nor less than the going rate of interest. There must be no experiments and, above all, no speculation. But what do we find? The positions of managers and manipulators of these huge hoards of the people's money have become the greatest financial prizes of the day. New and ingenious methods of graft have been devised in connection with them. The vast revenues of the insurance companies have become the “System's” most potent instrument in working its will in the stock world.

[Illustration]

[Illustration]

Their investments, largely in the securities of properties or corporations in which the “System's” votaries have large interests, are fertile sources of profit to the “insiders.” The groups of banks and trust companies affiliated with them are the medium through which access to the coveted insurance funds is obtained, for these institutions are allowed by law to use money for speculative purposes, which the insurance concerns are prohibited from doing.

The immense opportunities for profit afforded by the control of these great money hoards are taken advantage of in various ways. Let me illustrate one or two of them. Rogers, Rockefeller, Stillman, and Morgan buy the capital stock of three railways at a fair valuation, say, \$20,000,000 apiece, \$60,000,000 for the three. Owning all, or nearly all, the stock, they can put its price on the stock-exchanges to any figure they desire, say, \$60,000,000 for each railway, or \$180,000,000 in all. They proceed to deposit the stocks of the three roads in a trust company, issuing against them \$180,000,000 of what they call “bonds.” An “underwriting” syndicate is then organized. This is composed of certain individuals and corporations who agree that when these bonds are offered to the public at \$180,000,000, the portion the public does not buy, they (the “underwriters”) will purchase on the basis of \$120,000,000; in other words, they guarantee the sale of the bonds at \$180,000,000. In return they “make” on all the bonds sold the difference between the price to them, \$120,000,000, and the price the public pays, \$180,000,000. Let us assume that the public takes up the issue greedily and the full price, \$180,000,000, has been secured. The original owners, Rogers, Rockefeller, etc., have made \$60,000,000, the difference between the first cost and \$120,000,000, the cost to the “underwriters,” while the “underwriters” have made \$60,000,000, the difference between \$120,000,000 and the \$180,000,000, the cost to the people. In looking over the list of subscribers to these bonds, you will note that the largest purchases have been made for the great insurance corporations and the banks and trust companies owned or controlled by them and “The System.” If, in the instance I am using for illustration, a president or vice-president of one of the great insurance companies is known to be willing to subscribe for,

Frenzied Finance

say, \$10,000,000 for his insurance company; \$5,000,000 for his principal trust company, which is owned by the insurance company; \$1,000,000 apiece for five other banks and trust companies, also owned or controlled by the insurance company; and can influence five other affiliated institutions to subscribe for \$1,000,000 apiece, he controls, as will readily be seen, a purchasing power of \$25,000,000, and is sought for as an underwriter, if he is not already an owner. For this \$25,000,000 which his institutions buy he “draws down,” as his personal profit, 33-1/3 per cent. “underwriters” commission, or over eight millions of dollars.

In taking this amount, he is not *robbing* his insurance company, in the common acceptance of the term in this era of “frenzied finance,” though he has absolutely appropriated to himself a profit which belongs to it and not to him.

It must not be supposed that such transactions as this I have outlined are conducted in the simple ABC fashion I have set down here for purpose of illustration. No “one man” appears through any deal. The purchases and sales are usually made through dummies, and the final recipient of the “made millions” carefully conceals all the phases of his participation.

Let us take another type of transaction. An insurance company owns two adjoining pieces of unimproved city real estate, for which it paid \$250,000 apiece, but which are now worth \$500,000 each. The directors of the corporation formally decide to dispose of these holdings, and sell the first piece to a trust company, which is owned or controlled by the insurance company. One of the “System's” dummies or an officer or director of the corporation agrees to take the other at the same price. This is a perfectly legitimate transaction, and the insurance company shows a half-million profit on its investment. The next step is this. On its piece the trust company erects a two-million-dollar building, procuring the money from the insurance company at a low rate of interest. Thereupon the value of the adjoining piece bought by the “System's” votary jumps fifty per cent., so he has made \$250,000 without risking a dollar. At the same time there have been several other profitable transactions between institutions and individuals. The agent who disposed of the two pieces of real estate and who is “in” the transaction receives a generous commission for making the sales; the trust company's representative has his own “draw-down,” and there are further commissions to the agents who borrow and loan the money and control the erection of the building.

My readers may well ask, Are these merely illustrations, or do such things really take place? I unqualifiedly reply that deals similar to these have occurred repeatedly and that the principle and procedure set forth are the rule and not exceptional. Here is a minor episode of which I have personal knowledge. A well-known man made direct application to the Mutual Life Insurance Company for a loan of \$400,000 on a valuable city business block which he owned. He was told that the corporation had no funds available for that purpose. The refusal was authoritative and definite. A few days later a lawyer and real-estate agent came to his office and said to him: “I'm informed that you want \$400,000 on your property. I can let you have it, or \$500,000 if you need that much.”

“Good,” said the would-be borrower, “I will take it. Whose money is it?”

“The Mutual's.”

“My dear fellow,” said the would-be borrower, “how can that be? I was there at the office a few days ago and was assured I could not have the money.”

“That's all right,” was the answer. “Of course you could not get the money. The right party did not see the right party. D'ye understand?”

He understood.

A recent issue of the *Insurance Register*, of Philadelphia, in criticizing my comments on President McCall and life insurance, makes the following significant admissions in regard to the conduct of these great corporations:

While riding on the train on my way to my office this morning a lawyer told me the following story: A client of his, a real-estate agent, represented a corporation owning and wishing to sell a valuable Chestnut Street property. The price asked was \$750,000. A representative of a New York corporation called upon him and agreed to take the property, but stipulated that the price named in the deed and

Frenzied Finance

received for should be \$850,000, the difference covering his commission of \$100,000. The Philadelphian, finding it impossible to induce his clients to make this concession, and the New York agent insisting upon it as indispensable to the purchase, made a trip to New York to see the principal, acquaint it with the facts, and find out whether or not some arrangement could be made by which the buyer could take care of its agent's commission. He was received by the manager of the New York corporation, but when he stated that he represented the owner of the Philadelphia property he was instantly bowed out of the office, with the assurance: "We never interfere with business in the hands of our agent." The outcome was that the sale was not consummated, because the officers of the Philadelphia corporation would not receipt for \$850,000 when they were to receive only \$750,000, for the reason that they could not square the transaction with their stockholders, and the buyer's agent would not consummate the deal without such a receipt, because he could not square with his client and its stockholders the payment of \$850,000 with the consideration of \$750,000 mentioned in the deed. This story was told to illustrate the proposition that every action has its prompting motive, and my fellow-passenger imparted to me his conclusion that the motive of the manager of the New York corporation for refusing to listen to his client was that "the scoundrel was in cohorts with the agents to share in the commission and cheat his own company." The public will in time come to look for motives, and we, fellow-editors, and the managers of mutual life-insurance companies, will be judged by what seems the most apparent motive for our actions....

Any alliance between life insurance and this modern speculative frenzy cannot be too deeply deprecated, nor too strongly reprobated. Every true friend of honest life insurance among insurance journals will demand that this great business, of all businesses, must be kept free from the contagion of corruption that has shamed finance, is covering commerce with a blighting mildew, and threatens our whole land with disaster as well as dishonor.

All this is preliminary to treating the case of the Prudential Insurance Company. I want to say here that I do not know the corporation, any of its officers, nor any one interested in the control or management of it, and personally have never had the slightest connection with its officers. I desire to prove through an outsider, some one of unquestioned authority, that the great insurance companies are part of the "System" and are engaged in manipulating the stock-market with the funds their policy-holders put in their hands as a sacred trust. In so far as the Prudential is concerned, rank and unsound as are the transactions I am about to speak of, my investigations have proved to me that this insurance corporation is only as a baby-carriage to a runaway automobile compared with the three great representatives of the "System," the New York Life, the Mutual, and the Equitable. Certain critics have accused me of being unduly emphatic in my strictures on the doings of the corporations of which I am treating. I will confess to a secret amusement at being able, in this instance, to quote the language of one of the most conservative insurance officials in America, Frederick L. Cutting, for many years Insurance Commissioner for the State of Massachusetts.

Frenzied Finance

The Prudential Life Insurance Company has \$2,000,000 capital stock. The stock is owned and the company absolutely controlled by a few men. This capital of \$2,000,000 represents only \$91,000 paid in in cash; the balance has been derived from stock dividends; that is, profits that have been made out of policy-holders. In addition to this enormous amount, there has been paid ten per cent. in cash dividends annually, so that for every thousand dollars paid in the stockholders hold \$22,000 of stock, upon which they receive annually \$2,200, or, as Commissioner Cutting puts it, "each year for ten years the stockholders have received in cash dividends more than twice the original investment." I commend to the policy-holders of the Prudential and other insurance corporations, and to other honest men, these tremendous figures: every \$1,000 invested turned into \$22,000, not in a gold or diamond mine, but in a life-insurance company where every dollar comes from the policy-holder who is supposed to pay in only enough to insure a promised payment plus provision for honest expense.

The Prudential Company owned the stock of the Fidelity Trust Company, the capital of which was \$1,500,000, and the directors came before Commissioner Cutting and informed him that they proposed to double up the stock of the Fidelity Trust Company to \$3,000,000; that the new \$1,500,000 at a par value of \$100 was to be sold for \$750 per share; that the new stock was to be bought by the Prudential Company and the Equitable Company; and that with the proceeds of the sale, the Trust Company was to buy a control of the Prudential Company from its directors. The motive of this transaction was as follows: The set of men who absolutely controlled the Prudential, with its sixty millions of assets belonging to its policy-holders, proposed to control it for all time, but without tying up \$7,000,000 of their own money in the business. In other words, they desired to eat their pudding and yet have it for continuous re-eating, and had found a way to accomplish this heretofore impossible feat.

By this plan the men who controlled the Prudential Company, and thereby the Trust Company, at the time the plan went into force, would forever continue to manage and control both institutions, although not one of them held a policy or any investment in the insurance company beyond the one share of stock required by law to qualify as director.

If this scheme had been consummated it would have borne to "frenzied finance" the same relationship that perpetual motion does to mechanics. By it a few men could gamble forever with the entire assets of the policy-holders of this corporation for their own personal benefit. If my readers will imagine the same scheme applied to several other great insurance companies and the men controlling them, the "System's" votaries, they will recognize the "System's" ideal world, with all the people in a condition of ideal servitude. However, this ingenious plan was forestalled because there happened to be in control of the life-insurance affairs of Massachusetts one of those old-fashioned relics of American honesty—a man who thought more of the interests of the people intrusted to his care than of the prospect of innumerable "made dollars" which might have been his had he proved more amenable. It is regrettable that he was not able to deprive the conspirators of their power to juggle with the property of the corporation, for only two weeks later they developed and executed an alternative device which practically accomplished the result which the Massachusetts authorities had declared illegal and the courts of New Jersey had enjoined.

There is food for thought here for the policy-holders of American insurance corporations who have intrusted to the "System" and its upholders the billions of their savings, to which they are adding every year hundreds of millions. To them I recommend a reading of the Forty-eighth Annual Report of the Massachusetts Insurance Commissioner, dated January 1, 1903, and the decision of the New Jersey judge who passed on the case. These men are surely not to be accused of exploiting my story. Under the head of "Control of Life Insurance Companies" in the Massachusetts Report will be found the following:

The Insurance Commissioner had the honor of addressing the insurance committee of the General Court relative to the control of life-insurance companies by other corporations or by syndicates. For some years it has seemed to impartial observers who are conversant with life-insurance matters, and have also seen the eager quest by promoters for funds to finance all kinds of enterprises, and the determined struggle to grasp every opportunity for speculation, that

Frenzied Finance

there would be no cause for wonder if covetous glances should be turned toward the massive accumulations of life-insurance companies. It is well, therefore, to pause and ask what would be the chances for obtaining control of them, and what might be the result of such control, and in general whether the funds of such companies are imperilled by modern methods.

Insurance corporations on a capital stock basis, on the other hand, give their policy-holders no voice in their management. To obtain control of such a company it is necessary only to control by purchase or otherwise a majority of its capital stock. If a "king of finance" should start out with the determination to secure a majority of the stock of such corporations, the chances are that in some cases at least he would be successful. He might, it is true, be obliged to pay more than the "book value" of the shares; but perhaps *control* of a company's assets would well be worth twice or thrice or even more than what could be figured out as the value of the stock on the books of the company. On no other theory can the figure offered for life-insurance company stock in some cases be accounted for, since these offers are not warranted by the surplus nor by the dividends paid, nor by both combined.

Is there aught to prevent a bold manipulator from entering this inviting field and purchasing a controlling interest in the stock of enough such life-insurance companies to make their combined assets aggregate one hundred million dollars of the more than six hundred millions of assets of stock life-insurance companies doing business in Massachusetts? This accomplished, he transfers his rights to a "trust," or an association, or trust company, which is not only a bank of deposit, but is also engaged in brokerage schemes, in financing large enterprises and promoting all kinds of corporate consolidations, and underwriting their stock for a consideration. The central controlling trust company, or whatever it may be, becomes a medium through which the investments of the controlled insurance companies are made; all sales of their securities pay tribute to its treasury; all funds awaiting investment are deposited in its keeping; the most valuable of their securities are turned into cash, and then used by the controlling power for such purpose as it sees fit. All these things are conceivable, and their accomplishment would be a no greater task, seemingly, than some of the gigantic "operations in finance" of the last few years.

Judged by what has happened in other fields, this trust would not only control these vast assets, if the plan should be executed, but would control them without individual liability on the part of its managers.

THE PRUDENTIAL MERGER CASE

Is there really any danger, it may be asked, that any trust

Frenzied Finance

or syndicate will attempt to control the stock and assets of life insurance in this way, or is this simply the presentation of possibilities? As an answer to that question here follows a plain, unvarnished story of what has been attempted and what has taken place within the past year between one of the life-insurance companies doing business in Massachusetts and a trust company with which it has close relations.

In October, 1902, the Insurance Commissioner received from the president of the Prudential Insurance Company of America a letter, transmitting a copy of a circular letter addressed "To the field and home office staff" of the company. That circular letter disclosed a plan of mutual control between the insurance company and the Fidelity Trust Company, a corporation organized under the laws of New Jersey. It stated that:

"The capital of the Fidelity Trust Company is about to be increased from \$1,500,000 to \$3,000,000, the new stock being sold at \$750 per share. This will result in giving the Fidelity Trust Company a capital of \$3,000,000, a surplus of \$13,000,000, and a considerable amount of undivided profits, making this company, from the standpoint of capital and surplus, as large if not larger than any similar institution in the country. Sufficient of this stock will be taken by the Prudential Insurance Company to give it, together with its present very large holdings of Fidelity stock, absolute control of that company. A very large portion of the balance of said stock is to be taken by the Equitable Life Assurance Society of New York, which will give to that company a very substantial interest in the Fidelity Company, and therefore justify it in materially increasing its business with the Fidelity. The bulk of the new money thus to be received by the Fidelity Trust Company is to be used by it in the acquisition of a controlling interest in the entire capital stock of the Prudential Insurance Company.... A contract has been entered into between the Fidelity Trust Company and a large majority of stockholders in interest of the Prudential, in which the latter have contracted to sell their holdings of Prudential stock, or as much as may be necessary, to the Fidelity Trust Company on or before May 1st next, at \$600 for every \$100 of par value.... While by this arrangement the Prudential Company will control the Fidelity, and, on the other hand, the Fidelity will own a majority of the capital stock of the Prudential, the annual meetings of the two companies will be so arranged and other arrangements be so made that the Prudential will forever be the dominant factor, as of course it should be. The officers of the Prudential are united in their belief that this move is of the greatest possible interest to its stockholders, as well as to all of its policy-holders and its great army of employees. The consummation of this arrangement insures the

Frenzied Finance

continuance of the present management of the Prudential, both in its home office and in the field. The advantages of the plans of the trust company are too obvious to need comment. It is expected to consummate this entire transaction between the two companies on or about February 1, 1903.”

The Insurance Commissioner of Massachusetts, on receipt of this circular, wrote United States Senator John H. Dryden, president of the Prudential Insurance Company of America, declining to approve of the proposed exchange of stock on the ground that the merger was antagonistic to the interests of policy-holders, inasmuch as it forever deprived them of the power to dislodge the management from the control of the institution. The minority stockholders petitioned the New Jersey courts for an injunction to restrain the Prudential and the Trust Company's directors from carrying out the proceeding for mutual control, and Vice-Chancellor Stevenson enjoined the corporation from executing its project. However, the reciprocal control was effected by the sale of enough Prudential stock to the Fidelity, whose capital was increased for the purpose of purchasing it, so that the Fidelity lacks but eight shares to control absolutely the Prudential. As the situation stands now, the Prudential directors control the Fidelity, and the Fidelity holdings, with eight shares more, control the Prudential. Practically the ring is about as hard to break into as the plan enjoined. Those who control the Fidelity can always “dominate” the insurance company. Minority stockholders and policy-holders alike are practically in the hands of the trust company for all time, and the insurance company's assets can be managed as the majority of the trust company's directors dictate.

The director goes on to explain the relations between a life-insurance company and a trust company, which, in the light of recent exposures, seems prophetic.

“The money value of intimate relations between a majority of the directors of a life-insurance company and a trust company may be easily comprehended. These relations are at the beginning based on the needs of the insurance company, which needs it is hard to define and limit, and accordingly hard to say just where the provision for them becomes more of an advantage to the trust company than to the insurance company. Standards will differ, and change, too. But here, let us say, is a great insurance company with over \$50,000,000 of assets which it has collected from its policy-holders, and which are needed for carrying out their contracts, and which safety requires shall be held in sound investments. Such an insurance company has to have a large and active bank account. It must deposit checks and all forms of paper promises or orders for collection, and for the payment of expenses and claims must have a large sum of ready money. This is the absolute need; but the directors are not bound by any legal requirements to limit their deposits to just what will reasonably suffice as a margin to pay current claims and expenses, nor are they required to patronize any particular banks. They conclude, let us say, that 'it will be safer' to take some banking institution for such depository which they 'know about,' and of which, perchance, some of them are directors, or in which, at all events, they are stockholders. If no such trust company is at hand, it is very easy to start one, and easy for the directors of the insurance company to be in 'on the ground floor.' The insurance company then begins to bestow its patronage. The trust company, which is thus supplied with

funds, begins to feel the effects of this attention; by the use of its big deposits large dividends are earned. A 'boom' begins, and the director who 'had the sagacity' to invest in the stock of the trust company when it was around about par, sees his holdings advance by rapid strides until he is offered perhaps ten times as much for his stock as its par value. He has seen this stock advance in value in proportion to the amount of funds of the insurance company which the trust company had at its command. It has been worth much to him 'to be on the inside,' and will be worth much in the future for him to be on the inside if any new trust company is to be a depository; the bigger the deposit, the more it will be worth to him."

All thinking people, after reading these extracts from Insurance Commissioner Cutting's report, will ask: "Why have we never heard of this before?" I can only answer that he found it impossible to get any part of the warning contained in it before the people. It should be remembered that the insurance companies annually spend millions of dollars with the daily, weekly, and monthly press—and it is unnecessary for me to say more. My own advertisement calling attention to the life–insurance chapters in the last issue of *Everybody's Magazine* was refused by some of the leading dailies of New York, Boston, Cleveland, and Pittsburg. When I called on the managing editor of one of Pittsburg's leading dailies for an explanation of the publication's declination, he said: "Don't mention me or you'll get me into trouble. Our copy for the advertisement was a day late and the insurance combine had time to get in its work. The local managers sent a representative to all the papers warning them not to run your stuff, under penalty of losing the big full–page annual from each of the three big companies, as well as the numerous fliers through the year." One hears of the sagacious ostrich which, when pursued by an enemy, hides its head in the sand. The ostrich is wise in comparison with the "System's" votaries in the year 1904.

THE VULTURES FEEDING

Owing to the claims of other subjects on my space, I left the subject of life insurance for a few months. In the meantime President Alexander began his grapple with President Jimmy Hyde for the control of the millions of the Equitable Life—the historic entanglement which has had such dire consequences for all concerned. In the April, 1905, issue of *The Critics* I wrote as follows:

When first I touched on the subject of life insurance and called attention to the manner in which the three great companies were juggling with the immense funds entrusted to them by their policy–holders, the "System" raised a great outcry, declaring that I was unsettling the confidence of the people in a sacred institution. At this moment we have the chief officials of one of these huge organizations engaged in a desperate and disgraceful struggle among themselves for its control. All thought of the widow and the orphan, against whom they declared my hand had been raised, has been forgotten in the mad fight for supremacy over the accumulated millions in stocks, bonds, and in trust companies, from the secret manipulation of which the great private fortunes of successful underwriters are derived.

Before definitely grappling with the evils of the insurance trust, I hesitated a long time. I realized my words would cause terror or distrust among policy–holders and perhaps induce some misguided ones to abandon their insurance. After long consideration, however, I became convinced that what I had to say would in the long run benefit all policy–holders, insure the greater safety of their funds, reduce their annual premium–payments, and perhaps bring about the restitution of the vast amounts which in the past had been diverted from them to private individuals. The response to my criticism was a flood of abuse. Instead of meeting my charges, the big companies denounced me for a liar and a misrepresenter, and the insurance journals and subsidized press declared that the things I had charged were impossible. Now, the president of the Equitable Life Insurance Company is openly accusing a leading member of his board of trustees, who is one of the foremost votaries of the "System," of loading the company with twenty–two millions of securities, which, as a member of the finance committee of the corporation, he had purchased for himself in his capacity as head of a great banking–house. On the other hand, the president and his associates, who have hitherto

Frenzied Finance

swayed the destinies of the institution, are accused by the other party of conspiring to mutualize the institution, not for the benefit of the policy-holders, but to conceal the traces of past misdeeds. Before this chapter is in the hands of my readers the officers and directors of this great insurance company may be before the courts and a condition of affairs spread out for the public's gaze such as will make my charges seem, in comparison with the actual truth, as chestnut-burrs to porcupines' quills.

One result achieved so far is an awakening of the people's attention to the evils of present conditions; but let them beware of the remedies suggested. The "System" is quick to adjust itself to storms it cannot control, and there are many signs abroad that it is trimming its sails to fly before the present blow, ready when it shall abate to switch back to its old course, and, under fresh canvas, make up for lost time. Already we have Senator Dryden, representing New Jersey and the Prudential Life Insurance Company in the United States Senate, introducing a bill for Federal supervision of life insurance, and the "System's" hirelings throughout the land are clamorously agitating the passage of some such measure. It behooves the public to scrutinize carefully the form of reform which these patriots approve. It may be taken for granted that they will initiate nothing that will interfere with their grip on the millions of the policy-holders or will divert fat pickings and commissions from their own pockets. Once I asked a leading votary of the "System":

"What would you do if by any chance the Government decided to get into the railway business, and took a railway or so to see how government control would work?"

"Oh," was the reply, "we'd manage that all right! As soon as we saw it coming, the stocks and bonds of the roads wanted would go up, so that by the time Uncle Sam got ready to buy, it would be the fattest sale we could possibly make. After that it would not be difficult to disgust the Government with its bargain, and before long the people would be glad to sell the property back to us, and we'd find a way to get it at slaughter prices."

The reformation of the big insurance companies is sadly needed, but reformation of a more drastic kind than they'll be willing to administer to themselves. To begin with, there should be a relentless probing of their stock transactions of the last fifteen years, followed by the passage of some simple laws regulating their investments. The relationship between these institutions and the "System" would then at once of necessity terminate, and we could say good-bye to the *régime* under which the expenses of the Big Three have enormously increased and their dividends to policy-holders have steadily declined while during the same period the private fortunes of their officers and controllers have flourished amazingly.

I have been repeatedly asked to define the conditions that make it possible for these immense private fortunes to be gathered, within the law. An examination of the figures that follow will reveal the far-reaching possibilities that reside in the direction of the billion of assets of the great insurance companies.

The last issued New York report (1903) shows that the three leading companies had in uninvested funds, all told, \$70,212,453. Of this sum total there was "deposited in trust companies and banks drawing interest"—at the *close* of the year:

Equitable \$25,617,668
Mutual 22,439,396
New York 17,731,710

\$65,788,774

the balance, \$4,423,679, being on deposit without interest.

The above aggregate represents 71.7 per cent. of the uninvested interest-bearing funds of twenty-eight companies—leaving but 28.3 per cent. for the remaining twenty-five (in which, by the way, is included \$6,801,789 of the Prudential, as large in proportion as the funds of the Big Three, with which it is associated).

This sum, at the two-per-cent. interest allowed by the trust companies, returned to the insurance companies \$1,315,775, while it earned for the trust companies in the different speculations in which they were engaged, from five to twenty per cent., or an annual profit of \$1,973,663 to \$11,184,079, over and above the interest paid the insurance companies for its use.

But who owns the trust companies? you ask. Some are owned jointly by the three great insurance corporations and their directors, others by the directors alone. The men who control the Big Three organize these flexible depositary institutions, allotting half or more of their stocks to themselves, the balance to the

Frenzied Finance

insurance companies, or keeping all the stock themselves, for the purpose of manipulating the stupendous sums in the treasuries of the insurance companies. The trust company is the irrigating canal of Wall Street, the insurance company the reservoir. For the development of the various schemes of consolidation, trustification, and amalgamation in which Wall Street profits are made, money is required in large quantities. When the soil is ready for the seed, when negotiations have been sufficiently matured, the trust company's sluice is tapped and the gold flows out. And gold which makes a \$225 crop sprout, where previously only a \$100 crop grew, is a valuable commodity, for the use of which large compensation is given the engineers. Thus the men who hold the treasury—keys of the Big Three, and who decide how the accumulated premiums of the policy—holders shall be used and where deposited, are actually the owners of these trust companies and of other corporations and trusts which borrow the money the trust companies have on deposit from the insurance companies.

The hackneyed defence of the insurance companies to this accusation is that great corporations, such as they are, must keep on hand, ready for emergencies, enormous amounts of cash. This is a futile argument, for in the nature of things the daily receipts of each of the Big Three are larger than the expenditures. We are also told "We keep large amounts, ready to take advantage of a sudden smash in the market." This sounds well, but cloaks one of the most vicious practices of these great institutions, and another of the insider's opportunities for private graft. It means that the officers of the great insurance corporations are ever ready for a stock gamble with the sacred funds of their policy—holders; that is, they admit their willingness to use the people's savings to make sure—thing gambling—profits from those unfortunates who must throw over their stocks and bonds because of the "System's" manipulations.

Imagine, my honest, old—fashioned reader, the millions of insurance funds used in this way! Let me give you a picture of how it is done. I have seen it worked a score of times. The stock—market is crashing, dropping tens of millions a minute, and business men are saying: "Oh, if we only had cash to buy, but we can not get it! The banks will not loan at any price. Rates have gone up to 100 to 150 per cent. and no cash is in sight." No one has money but the big insurance companies and the "System's" votaries.

Suddenly mysterious buying appears—hundreds of thousands of shares of stock, and bonds in million blocks. The crash has been stayed; the panic is over; stocks are bounding upward again; millions are being made by the mysterious buyers with each tick of the clock, and presently it is common knowledge that all the insurance insiders have cleaned up millions, and—of course, the company has made something, but the biggest profits have been won by the men who, having previously personally loaded up, were able to throw the unlimited buying power of the policy—holders' millions into the gap. Talk of loaded dice, or any of the sure—thing gambling devices! They are lily—white business schemes compared with this method of plundering the people.

Again we are authoritatively informed that the great companies have so much cash on hand that it is impossible to find investments for it save at a low rate of interest. The fallacy here is obvious. If these institutions have grown so unwieldy that they cannot conduct their business as ably as the smaller companies, the latter are the ones to insure with, because, right along, they are deriving larger returns from their invested funds than the big companies. There are scores of ways, however, by which the sixty—five millions could be made to earn even larger dividends than do the funds in stocks and bonds. Let the Big Three offer the use of their big cash balances by public competition—under the most conservative conditions that can be prescribed. Instantly the net returns will double.

All insurance policy—holders are familiar with the specious circulars and letters presenting statements of business done and investments made, which are sent out from the head offices of the great companies at odd intervals on the plea: "We want our policy—holders to know everything we are doing at all times." The public is assured at other intervals that there can be no secret or inside deals in the affairs of insurance companies because of the close examinations they are subjected to by the Insurance Departments of the various States. The insurance officials say: "All our facts and figures are vouched for by so many different sets of auditors and State Departments that they must be exact truths." To what extent is the public actually safeguarded by these investigations?

Some months ago I called attention to the fact that the directors of the New York Life Insurance Company had sold to themselves the stock of the New York Security & Trust Company at from three to four millions

Frenzied Finance

less than the property would have commanded from outsiders. Here is another transaction which requires explanation:

In 1901, ostensibly in order to maintain its position in the German states—I will explain later on what I mean by “ostensibly”—the insurance company disposed of its remaining holdings of stocks, the same having a book value of \$2,965,000 and a market value of \$5,471,000, as per report of 1900. These stocks, with possibly sales of some other securities, realized an actual profit of \$5,839,087 instead of \$3,075,392 as per the company's *sworn* report to the several State Insurance Departments.

Rather a queer proceeding, you say. Why should it do such a thing? Had some one stolen the extra profit? Or what? This is what was done: The company had simply availed itself of the opportunity to conceal an actual cash profit of \$2,763,715 in order that it might sequester assets to that amount unnoticed by its policy-holders or the departments. The sum so sequestered was made up of balances due from agents—presumed, as in all such cases, to be amply secured by pledge of renewal contracts—to the amount of \$1,919,734, and \$843,891 charged off depreciation of real estate. (See Massachusetts Report, 1902, pages 158–159.)

This illegal suppression of most important transactions, directly affecting, as will be seen later, the interests of policy-holders, would have remained a sealed book but for the careful audit of the Massachusetts Department, which revealed the fact, unnoticed by that of any other State (note in this one instance the boasted careful supervision and boasted double and triple auditing of all accounts before publication!), that the item “Agents' Balances,” amounting in the preceding year to \$1,527,123, had disappeared altogether from assets. This led to a prompt request from the Massachusetts Department for explanation.

The honorable business men of the New York Life, who pay out so many hundreds of thousands of dollars each year advertising the fact that they are sitting up o' nights to find new ways to acquaint the policy-holders with the innermost secrets of the company, finding there was no avenue of escape from their dilemma, quickly realized that the Massachusetts Department meant to have the facts, and publish them, too. Their own “faked” report was already before the public in the published reports of two departments, those of Connecticut and New York.

There was but one course open to avert the terrific scandal that was inevitable upon publication of the Massachusetts Report, and that was to head off and forestall adverse comment and criticism, as far as possible, by making a clean breast of it. No time was lost in preparing a letter of explanation to the Department. This answered the purpose of the Department, which did not care to press the matter, having accomplished its main object.

Now for the moral, or the iniquity, rather, of the preceding, the wrong to policy-holders, which has been so completely ignored and passed over by the insurance press and all hands: Either the company had, as at least supposedly it has in all such cases, ample security for its advances to agents in the pledges of their renewal contracts, or it had not. On the former hypothesis, that \$1,900,000—odd was a sound and valid asset, earning a good rate of interest. On the latter, the company simply squandered this amount of trust funds belonging to its trusting policy-holders in its mad rush for business at whatever cost; or—In either case the money has gone from sight so far as any sign or indication appears to the contrary since.

And before leaving this point, it may be well to ask, “Has the New York Life Insurance Company altogether discontinued these advances to agents?” If not, how and where are they accounted for? An answer may be found, possibly, in the comparatively meagre underwriting profits of the company, growing relatively smaller and beautifully less with each succeeding year. I say it may possibly be found here, because this is the only place the item could be buried; but I am reasonably sure that it is not buried here, and that these advances to agents are being continued on a scale as large as, or larger than ever, for the agents could not have been shut off and the business increased at one and the same time.

Again, during the last two months of 1904, or at a time when my story, “Frenzied Finance,” began to get in its work all over the world, I received from many quarters information that the Big Three had instructed their leading agents to get in a great lot of new risks “at any cost,” so that the total business for the year would show such increase as to discredit my claim that the policy-holders were getting “scared.” I watched the game with much interest, knowing that bunco would out in time, by whomever worked. During these months I read from week to week of this great policy, or that record-breaking risk just landed by this or that agent. One in

Frenzied Finance

particular made me chuckle at its transparency. A certain friend of the New York Life, a Wall Street man, “has just taken out a \$2,000,000 policy.” About the same time I began to receive information of the remarkable offers that were being made to prospective customers, offers which probably meant an indirect rebate of perhaps the full first year's premium; and I got to thinking and reaching back into my memory—box, and I raked out a number of instances of the same kind of offers which had been made to me in the past, and I ruminated to myself how all this was possible; for even if the Big Three were bold enough to get around the law against such practices, it puzzled me how they could pay to their agent the big cash commissions that new business called for. Presently as I waited I read, as did the rest of the world, the big January full—page advertisements of the New York Life to its policy—holders, calling their attention to the increase of \$15,000,000 new business over the year before. Then I took another think and did a little work, with the following result:

A JOLT FOR THE NEW YORK LIFE

The “Brown Book of Life Insurance Economics” shows that the sum laid by annually for future tontine or other dividends ranged in the ten years ending with 1903 from \$2,936,026 to a minimum of \$956,597, these amounts being savings after payment of dividends. In 1904, however, for the first time in the tontine history of the company—also the first year of maturity of non—forfeitable tontine contracts with their largely reduced dividends—the dividends paid and credited, \$6,018,202, actually exceeded the year's earnings, as shown by the company's sworn statement, by \$76,595.

I want to call policy—holders' attention right here to what this means to those who are now being beguiled into taking policies on the strength of “adjusted” estimates placed by the company in its agents' hands, showing dividend results ranging from fifteen to fifty per cent. higher than those of 1904, with, however, the saving (?) clause that, depending upon future unforeseeable conditions, the same “may be higher or may be lower.” It may be added that, but for a profit realized from sale of securities, the company's gross surplus would have shown shrinkage.

In order to realize what such a showing means, let us make a comparison, using the figures of a well—known Western company (partly tontine, but operated on diametrically opposite lines from the New York Life), for the three years 1901—03, this company being barely four—tenths the size of the New York Life as regards outstanding business:

COMPARISON OF TOTALS, THREE YEARS, 1901—03

	Dividend Laid by for future earnings.	Dividends.	dividends.
New York Life	\$16,826,289	\$13,189,278	\$3,636,091
Western Company	17,788,820	12,284,255	5,504,565
	—\$962,531	+\$905,023	—\$1,867,574

After mulling these over, I dug further in regard to the “prosperity” as shown by the business of 1904. The company boasts of its enormous volume of new business, \$345,722,000, which is \$15,000,000 in excess of the 1903 business. Here is the story: While this new business was being secured, the

Total terminations were \$162,326,114
Less those inevitable terminations by death
or maturity of endowments 26,767,873

Waste by lapse, surrender, etc. \$135,558,241
And when we add the lapsed policies which
continued in force, under the “extended—insurance”
provision 89,938,500

We have the total waste of \$225,496,741

and this, reduced to its actual significance, means that of the total actual terminations, 83.6 per cent. was *actual waste* and only 16.4 per cent. legitimate terminations, while the great bulk of the last item of \$89,938,500, upon which premium payments have ceased, must run off the books in the near future; and this

Frenzied Finance

is what goes on from year to year, more than keeping pace with the boasted increase in volume of new business. The public never sees this side of the question.

When I got to this point in my deductions, I was brought face to face with the tremendous expense of acquiring new business. Then I saw the light—why it was necessary to wipe off the books nearly two millions of what were considered good assets, that is, pledges from agents of their renewal commissions against which advances had been made, and where the new business came from, and how it was possible to make rebates when the law says they shall not be made. An agent induces a friend to have a policy written, for which the agent practically pays the premium out of his commission, and thereupon has advanced to him large sums against the future premiums which are to be paid by the policy-holder, who has no intention of paying them, and allows his policy to lapse. Heavens! What a vista of plundering opportunities the bare thought opens up! Somebody has to pay.

THE MILLION-DOLLAR POLICY

In the May number I inserted the following letter:

FORT WORTH, TEXAS, February 16, 1905.

THOMAS W. LAWSON, ESQ., Boston, Mass.

Dear Sir: I have read and will continue to read your articles on "Frenzied Finance," published in *Everybody's Magazine*, with a great deal of interest. I have noted especially your statements in reference to the big life-insurance companies, as I am a policy-holder in both the New York Life and the Equitable.

Under the heading of "Lawson and His Critics," in *Everybody's* for January, you give your side as to the assertion on the part of the insurance companies that you have been refused life insurance, among other things publishing a fac-simile of a contract of life insurance between yourself and the Equitable Life Assurance Society for \$1,000,000. On my first reading of your article, I was certainly impressed with the fact that you had \$1,000,000 of insurance with this company. On a second reading, I note that you do not say in so many words that this is a policy in force, but you say: "Well, look at this reproduction of the document that is now in my possession and always has been since the date when it was delivered to me by one of the great representatives of the 'System,' The Equitable Life Assurance Society." This statement taken in connection with others, conveys the idea that you are insured in the company named.

In conversation with a gentleman a few days since, who claims to know whereof he speaks, having gotten his information direct from New York, he stated that you had no policy in the Equitable Life Assurance Society for \$1,000,000, or any other amount, and that the reproduction referred to above, was of a *sample copy* of a policy, and not a real contract.

As your editor states that you will answer any pertinent question, I will ask the following, trusting that you may consider it pertinent: Have you a valid subsisting policy in the Equitable Life Assurance Society for \$1,000,000, the fac-simile of which appears in *Everybody's Magazine* for January, 1905?

Frenzied Finance

Trusting you will favor me with a reply, I am,

Very truly, ——

I answered:

Since the chapter which contained the fac-simile of the million-dollar policy was published I have received many letters similar to the above, but have not answered any because I wished to see how far the insurance people would go in this matter. Finding I did not reply to the different attempts they made in their subsidized journals to draw me out, they grew bolder, until the use of this million-dollar policy has become the chief defence of the Big Three companies. I want my readers to think this point over and weigh its significance carefully. In a previous chapter I called attention to the fact that there is nothing to protect the policy-holder from being robbed of the amounts he has invested to insure his family from poverty after his death but the honesty of the men who really control the big insurance companies as absolutely as any of their policy-holders do their personal affairs. If these men are honest, policy-holders in their companies may rest easy for the time being; but if they are dishonest, the policy-holders should call them to account, for these men have it absolutely in their power to make way with the funds of the companies they manage until there will not be a dollar left for policy-holders.

Therefore the one thing for policy-holders to settle, the one vital thing is, Are these men honest, or are they tricksters and liars?

To settle this point they must be weighed in the same way that all other men and women in this world are weighed—by the simple, ordinary standards: Do they lie? Do they trick? Do they cheat?

When I made my charges in my first chapters against the votaries of the “System” who controlled the insurance companies, they met my specific charges as dishonest men would meet them, not as honest men would. They impugned my motives, and specifically charged that my reason for attacking them was that I had been blacklisted by all insurance companies and could not get insurance from any of them.

While it was immaterial so far as my specific charges went whether this was so or not, it had a most decided bearing upon the question whether the officers and controllers of the Big Three insurance companies were honest or dishonest men. Therefore I picked up their accusation and began a line of argument to prove they were tricksters and absolutely devoid of honor.

I showed, by reproducing the personal letters of President McCall, of the New York Life, to my office and to my house, reënforced by his special agent's letter, and these reënforced by his Boston agent's letter, that I had been continuously and urgently importuned to take insurance during the time he said I was blacklisted. The insurance people met this by the excuse that these were not personal letters, but mere advertisements.

I then reproduced the million-dollar policy, hoping to drag from the Big Three a specific charge that this, too, was an advertisement.

Of course, I did not pretend that the policy in question was in force, that is, that I was insured in the Equitable Life Assurance Society for one million dollars. This would have been too childish; first, because every insurance policy, particularly the very large ones, is as much a matter of record, to be got at by any one in the insurance business, as are real-estate records; and, next, because that which I printed had the signature punched out, which made it obvious that it was not in force. My object was to lead the Equitable into the positive statement that it was an ordinary advertisement, when I would have reproduced the proposition that accompanied it and which the Equitable made in probably the most elaborate set of documents ever assembled by an insurance company for the purpose of inducing one of the “best risks” in America to take out a “great big policy.” These constitute the complete argument which was made by the Equitable Life Assurance Society to persuade me to take a million dollars' worth of insurance. They are engrossed upon parchment and bound in a specially gotten-up morocco cover, and, I was told, cost the insurance company between four and five hundred dollars. They were presented to me as the result of my demanding that all the inducements they offered to come into their company should be put down on paper, so that there could be no mistaking them. The documents as engrossed and the terms of the contract were carefully copyrighted by the Equitable, and are now on my table before me as I write.

The question which the publication of the million-dollar policy was to settle was whether or not I had been importuned to take out great sums of insurance in the leading insurance company of America, and it proved exactly what I had contended—that I had been so importuned.

Frenzied Finance

Up to and including my April, 1905, instalment I have made specific charges against the great insurance companies, the Mutual, the New York Life, and the Equitable:

1st. That the control of the officers of these great corporations over the billion dollars of their policy-holders' funds is as absolute and unrestricted for all practical purposes, as is their control of their own personal affairs, and is largely exercised for their personal enrichment.

2d. That the policy-holders have absolutely no voice in the management of these companies or the control of their funds, because of the manipulation of proxies in the New York Life and the Mutual and the control of the stock of the Equitable.

3d. That those who do control the big companies are votaries of the "System," and as such are subject to the "System's" orders as absolutely as is James Stillman, president of the "Standard Oil" National City Bank.

4th. That the insiders of these insurance companies, not one but several of them, have accumulated fortunes in the past few years, of from one to twenty millions, while at the same time premium-rates have advanced and dividends decreased.

5th. That under the present methods of conducting these great companies it is as inevitable as it was in the case of 520-per-cent. Miller or Mrs. Howe's Woman's Bank, that as soon as they can get no more insurance, the funds behind the old insurance will be dissipated and a crash take place such as the world has never known before.

6th. That the companies are "milked" in every direction, through the purchase and sale of real estate, through the loaning of their millions, and through the manipulation and investment of their funds.

7th. That they acquire new business at an expense and by methods which alone will in time wreck the companies.

8th. That in a single instance the New York Life sold securities for \$5,839,087, but its statement under oath to the State Insurance Departments showed receipts of only \$3,075,392.

9th. That the New York Life sold the stock of the New York Security & Trust Company, which it held, to its insiders for over \$4,000,000 less than they could have secured for it from others.

I have specifically charged other things, and will, as my story proceeds, make many more specific charges of as serious a nature; but the above suffice for my present argument, which is, that up to and including the April number I have made these accusations and that the only way they have been met is by underhand mud-slinging and by alleging that the incentive for my attack was that I could not secure insurance from any of the American companies; and I have met this with absolute proof, which must stand until it is disproved, that I have been during the past ten years importuned and urged by the large insurance companies of America to take out insurance.

Therefore I will leave the question of this million-dollar policy and other forms of importuning until the insurance companies offer something in rebuttal.

THE WAY OUT

The overhauling of the Equitable Life exposed conditions far worse than I had indicated to the public, and it seemed probable that the usual whitewashing process would be utilized to conceal the guilt of the rapacious criminals who had been untrue to the most sacred trust that can be imposed on man. Since that time, however, the Governor of the State of New York has appointed a committee to investigate the affairs of the Big Three corporations, and the resulting disclosures are the sensation of the hour as this book goes to press. In order to protect the interests of policy-holders, in case the authorities declined to act, I issued the following address in the July, 1905, number of *Everybody's*:

TO THE POLICY-HOLDERS OF THE NEW YORK LIFE, MUTUAL, AND EQUITABLE INSURANCE COMPANIES

The time has come for you to act. When, less than a year ago, I began my story, "Frenzied Finance," I exposed the function of the three great life-insurance companies in the structure of the "System." I explained that they were controlled in the interests of great financiers and that their funds were juggled with to compass the huge plundering operations of Wall Street. At that time the New York Life, the Equitable, and the Mutual Life loomed before the American people as the greatest, most respected, and most venerable institutions in our broad land. To-day they stand for all that is tricky, fraudulent, and oppressive.

A great change to have been accomplished in less than twelve months!

Frenzied Finance

My readers are by this time familiar with the condition of affairs in the Equitable. The greed, juggling, and grafting practised by its officers and controllers have been fully exposed through the press. I hope none of those who have followed the terrific arraignment of rottenness and rascality made through the Frick report are so foolish as to imagine that the evils described are confined to the Equitable. In my own opinion the Equitable is much less reprehensible than the New York Life, and when that institution and the Mutual are thoroughly shaken up, as they will be in the future, indubitable evidence of the same fashion of extravagance, trickery, and fraud will be found in plenty. Conditions in the three institutions are the same; though of late the New York Life has altered the character of most of its securities. Each has piled up an immense surplus which has been used through allied trust companies for stock juggling; each has paid extravagant commissions to agents; the funds of each have been managed to afford to high officials plentiful opportunities of graft; each has its real estate, fire insurance, low rent and loan favor graft; in each will be found the same type of syndicates as President Alexander and Vice-President Hyde used for their personal enrichment in the Equitable. To-day President John A. McCall of the New York Life is credited with possessing a fortune of between ten and fifteen millions—a few brief years ago he was State Superintendent of Insurance in Albany. The chief associate in the management of the same corporation, George W. Perkins, J. Pierpont Morgan's partner, is another very rich man, whose wealth has been accumulated in a few short years. Do you imagine for a moment that such transactions as I set forth last year in connection with the New York Security and Trust Company, in which the interest of the New York Life was sold to a syndicate of its own directors for a sum far below the market value of the shares, were put through without the connivance of President McCall and Vice-President Perkins? Even if the New York Life, as its president explains, did make a large profit on the sale of the trust company's stock, he cannot deny that the syndicate paid far less than the then market value of the shares for the insurance company's holdings.

There is something particularly vile about the crimes of these high officials and distinguished gentlemen who have been waxing fat and luxurious on life-insurance graft. In a recent number of this magazine I drew a parallel between the confidence operator and the burglar to show that the latter despises the former for a sneak thief who takes no chances in his thieving operations. Infinitely more depraved than the sneak thief is the high-placed functionary, presiding over a great institution built up out of the savings of millions of people, paid an immense salary for his important services, trusted with vast funds because of his reputation for integrity and business sagacity—who yet uses his splendid place to line his own pocket. Of all fiduciary institutions, life insurance should be the most sacred. Its chief function is to care for the widow, the orphan, and the helpless. The millions of revenue paid annually into the life-insurance companies of this country represent the blood and tears and sweat of millions of Americans who thus provide for the care of their dear ones for the time when death shall have put an end to their own income-earning abilities. The administrator of a trust so solemn and exalted should devote himself to its safeguarding as a priest dedicates himself to the service of his Maker. The responsibility conferred on him is the highest and holiest man can repose in his fellow-man. Remembering all this, consider again the revelations of greed and plunder in the Equitable; consider that millions upon millions of dollars have been filched and wasted; analyze the Frick report and the letter of President Alexander to the directors of the society, calling for Vice-President Hyde's removal from office. Think, ye farmers and laborers, of personal traveling expenses of \$75,000 in a brief period, of salaries of \$100,000 annually paid for a few hours of work per day; think of vast sums of your money used to provide expensive safe-deposit institutions with low-priced quarters so that the personal income of men already multimillionaires may wax still greater. Think of the great institution to whose hundreds of millions' income you contribute your hard-earned dollars, being farmed, milked, and squeezed by a pack of dissolute and greedy schemers and robbers more conscienceless and oppressive than any band of thugs in the country.

When I began to discuss in *Everybody's Magazine* the subject of the three great life-insurance companies, I stated that there is actually nothing between the two million-odd policy-holders and the possibility of their being robbed of the billions of dollars of their accumulated savings but the devotion and the honesty of the men who are in control of these institutions.

You know what happened when I said this to you the first time—less than a year ago. The officers, trustees, and hirelings of these great companies laughed to scorn my statements and called me a liar and a scoundrel. They drew the attention of the whole world to the standing and wealth and honesty of the men who

Frenzied Finance

managed these great corporations, and proved by the most positive asseverations that nothing could be more preposterous than that any one of them could do wrong. But the great God, who seldom allows His children to remain long deceived to their undoing, heard these loud-mouthed protestations, and to-day the world is listening to exposures of low, mean thefts and contemptible crimes far worse than any to which I had pointed.

And from whom comes the proof of the treacheries and rascalities perpetrated within the Equitable? From the men who control and manage this great institution and its hundreds of millions of accumulations. When my accusations first appeared, these men saw the handwriting on the wall and some of them, bolder than others, determined to seize these vast hoards of the public's money and at the same time get possession of all evidence of past crimes so that they might be immune forever after from punishment and the necessity of making restitution. In the act of grabbing, however, the robbers fell out with one another, and, presto! they are in the public square where all men, women, and children, cats, dogs, and asses may see and hear as they gouge, bite, and accuse each other of the vilest crimes.

These are the men in whose custody even now are the accumulations on which you, Mr. Policy-holder, are depending to take care of your wife and little ones, should you die. On the honor and responsibility of men who in the past five years have "saved" out of salaries of \$20,000 to \$100,000, private fortunes of millions, you must absolutely rely for the safety of the billions of dollars of your savings. The future of the helpless beings whom your hard daily labors provide with a livelihood is in the hands of men who admit having expended \$100,000 of your money to provide a lordly and regal entertainment for a set of extravagantly paid agents and solicitors who, spurred on by prodigal inducements, have piled up huge amounts of new business on the company's books. I have explained to you before what such business is worth, that the agent gets so large a commission that he is practically in a position to accept risks at far below their cost to the company, and that such business as this is seldom renewed. The same men have been paying personal secretaries, gardeners, and flunkies out of your earnings; they have been feasting and traveling in private cars with large parties of the New York flubstocracy at your expense; every possible extravagance they have been guilty of by means of the revenues some of you have worked fourteen to eighteen hours a day to gather in. Shame, I say, on such contemptible thievery.

I cannot resist the temptation to pull back the slide from one episode of the past. When my strictures on the three great life-insurance companies first appeared, one of the vice-presidents of the Equitable, Gage E. Tarbell, in writing to an inquiring policy-holder, said: "Pay no attention to Lawson; he is only a reckless stock gambler, and every sensible person knows that any man, no matter what his position might be, who would do anything to cause loss to the class of people we insure, must be a rascal." And this is the same man Tarbell, it is now admitted by all the Equitable officers and investigating committees, who, as soon as he saw the crisis coming in the affairs of the Equitable, had his pal, President Alexander, pay to him \$135,000, which he claimed was due him for commission renewals, even though he was then in receipt of a salary of \$60,000 per annum for his services. It is through the operations of this same Tarbell that the vast system of rebates, one of the chief evils of the present system of life insurance, came into being, and through his prodigality that the immense sum of \$2,000,000 stands on the books of the company, representing advance commissions to the pampered agents.

The time has come for all you policy-holders to act, and there is but one way to act.

A thousand and one schemes are afloat to confuse and trick you at this period. The cry is—anything to hush things, to confine the fire to the Equitable, at any cost, even though it totally consumes the \$400,000,000 of the people's savings in that institution. I told you at the beginning that the New York Life was worse, if anything, than the Equitable, and the Mutual Life just as bad. Therefore I unqualifiedly advise policy-holders to:

1. Pay up this year's premium—it will be the last to these plunderers.
2. Have nothing to do with any committee or scheme.
3. Write me, at once, your name, address, and the amount and character of your policy. I want nothing more from you, and under no consideration will I divulge your name without your further consent in writing.

I already have the names of thousands of policy-holders, but to make my plan instantly effective I must have scores of thousands.

My plan has for its aim and end, this and only this:

Frenzied Finance

The absolute preservation of the face value of your policy.

The reduction of future premium payments to forty cents on the dollar on what you now pay.

The restitution of millions upon millions looted from the three great companies, or as much as can be collected after a careful examination of the books—and the punishment of the thieves.

Bear in mind *that I will not have any money connection with you in the working out of my plan. I pay my own expenses. I will not ask any reward or profit, money, office, or otherwise, nor will I under any circumstances accept any.*

[Illustration: Policy-holders reply coupon.]

In response to this appeal I received over sixteen thousand proxies, representing over fifty-four millions of insurance. The investigations made by the legislative committee of the State of New York are unearthing in a most thorough manner the iniquities of the directors and managers of the Big Three, and before proceeding further I shall await the results of its work. If there is any way short of criminal proceedings to compel the restitution of the millions diverted or stolen from policy-holders, I shall begin suits which I am satisfied can be fought to a successful conclusion.

THE CALL TO ARMS

The extraordinary disclosures made before the investigating committee of the New York Legislature, which is now conducting inquiries into the methods of the great insurance companies, led me finally to issue the following open letter to John A. McCall, in which I review the controversy between us and contrast his disclosures of corruption and mismanagement with his brazen professions of virtue and probity made last year. In order to wrest the two great mutual companies from the control of men who are obviously unworthy to direct them and with whom the policy-holders' funds are plainly unsafe, I asked for proxies which would make it possible for me to bring about a change in the control of these two great corporations.

This letter and call appeared in the November, 1905, issue of *Everybody's Magazine*.

AN OPEN LETTER TO JOHN A. McCALL, PRESIDENT NEW YORK LIFE INSURANCE COMPANY

Sir: It is time your attention was called to the moral sense of the American people. It is time some one dragged you out of the Wall Street conservatory and set you in the plain white light of daily life. It is time you were shown yourself as you are to-day seen by the millions of your countrymen who, a month ago, believed you to be a great and honorable man.

In spite of the terrible exposures of the past few weeks, in spite of the pitiless revelation of yourself and your directors as tricksters, in spite of the unveiling of the jugglery, grafting, and corruption of your administration of the most sacred trust that can be confided to man, you remain unconvinced of your fall and unpenetrated by your shame. Fortified by the sympathy of your fellow-sinners, you imagine your audacious bluster and your sly evasions before the Investigating Committee of the State of New York represented shrewd generalship and able strategy, forgetting that the enemy against whom your manoeuvres were directed was the American people and that, in this inquisition, your character and reputation were as absolutely before the bar as though you had been indicted for sequestration of the funds of some dead friend's wife.

Throughout this broad country of ours are good Americans who have slaved and toiled to gather up the hundreds of dollars which you have exacted from them yearly as the price of the future livelihood of their wives and children, or as the provision for their own old age. You have made yourself the custodian of these funds under sacred pledge of square dealing and safe and honest administration. You have made yourself the national executor, the great depository of the moneys of the widow and the orphan. You have cried your virtue and honorableness from the housetops, and, under the stress of your pleadings, hundreds of millions of dollars have been confided to you annually—half the savings of the nation have been turned into your coffers, all because you insisted that you were honest beyond all other men, and that the dear ones left behind might rely on your generosity and integrity for their support.

And it is with the moneys that might at any time have been claimed by these widows and orphans that you have been rigging syndicates, debauching legislatures, juggling judges, manipulating stock-markets, and doing other things which will be proven later. Instead of employing the vast power and the immense wealth intrusted to you to conserve the interests of your policy-holders, you have made yourself a part of the cruel robbing machine which the "System" has created to deprive the American people of their savings. Under the

Frenzied Finance

pretence of seeking profitable investment, your corporation has been perverted into a vast stock-gambling agency. You have filled the high places in your corporation with your own children and relatives and their relatives, and conferred on them great salaries out of which they have grown rich. You have paid out to friends and associates, on various pleas, millions that rightly belonged to your policy-holders. You have done all these things habitually, yet to-day you describe the investigation being conducted into your operations as an impertinence, and secretly you regard this inquisition and all that pertains to it as a waste of time and energy. You are unrepentant, unashamed, and defiant.

I shall take this opportunity, sir, of reviewing our own relations during the past year and contrasting your position to-day with that you boasted twelve months ago.

One year ago, in *Everybody's Magazine*, I said:

“The officers, trustees, and officials of the 'Big Three' life-insurance companies have been and are systematically robbing their policy-holders. They are grafters—mean, contemptible grafters.”

I gave specific instances of their thieveries.

You replied, not by haling me to court, but by:

Circulating throughout the world documents by the millions, disparaging my reputation by advertisements and “news” and “editorial” statements from your subsidized insurance press, denying my charges and attacking my character, all at the expense of your policy-holders.

You libelled me in thousands of private letters to policy-holders, many of which came back to me.

You employed James M. Beck, ex-Assistant Attorney-General of the United States, then and now chief attorney for Henry H. Rogers, the Standard Oil Company, the “System,” and the Mutual Life Insurance Company, to ridicule my utterances and asperse my honor in addresses in the cities of Philadelphia and Boston.

You employed James H. Eckels, ex-Comptroller of the Currency of the United States, now president of the Commercial Bank and representative of the “System” in the West, to attack my arguments and distort my motives in Chicago.

You ordered Vice-President Perkins, of the New York Life Insurance Company, to perform similar service in Philadelphia; and

The burden of all these documents, advertisements, and disguised advertisements and addresses was: “Lawson is an unmitigated liar and scoundrel, whose sole reason for attacking the insurance companies is that we refused him insurance.”

I replied by printing your personal letter to me, wherein you importuned me to accept insurance in your company.

Again you gave me the lie, and pronounced your letter spurious.

I replied to you and your followers by instancing cases of perjury, bribery, and false statements.

I stated that your claim that your company did not own, nor loan upon, stocks was false, and that it was made for the purpose of misleading and imposing upon your policy-holders, banks, trust companies, Government officials, and investors.

You answered this by writing a letter to one of the great churchmen of America, and in it you said: “I pledge you my word of honor this company has never, since 1899, had a dollar's interest, directly or indirectly, in any stock. Lawson knows this, and deliberately, for his own base purposes, makes charges to the contrary which he knows to be false.”

To-day you and your fellow-plunderers stand convicted in the eyes of the whole world not only of juggling the moneys of the widow and the orphan in the stock-market, but of manipulating these trust funds for the benefit of your own pockets. To-day the world is aghast at your perfidy and amazed at your temerity.

Notwithstanding the turpitude already exposed to the people, you still imagine you can so conduct yourself as to prevent the investigators from fastening on you and your associates the more desperate crimes that have been committed in the past—the 150 to 200 millions stolen and diverted or used in corruption. You know as I do that only the very edges of this national cesspool have yet been uncovered. You know that not only have the ballot-box and the Legislature at Albany been tampered with, but the law-making and administering machinery of other States corrupted, the Federal Government surrounded, and certain of the judiciary of America “educated.”

Frenzied Finance

You believe you can keep the evidence of these crimes from the American people by the same kind of bluff and effrontery with which you met my first charges. But you have mistaken the tempers of your countrymen.

I have been authorized in writing by over 16,000 policy-holders, carrying over fifty-four millions of insurance, to act for them.

I had intended to await the finish of the New York investigation before proceeding, but as I have had placed in my hands during the past few days evidences of the determination of yourself and your accomplices and fellow-conspirators to face it out regardless of consequences, and as I believe men capable of committing the acts that have been proved during the past few days are fully capable of taking the transportable part of the billion and a quarter funds to foreign countries, and of using them to keep themselves from their justly deserved punishments, I have decided to act now.

In sending you this open letter, I am actuated only by a desire to bring you and your associates to such a sense of the seriousness of your position that you will see it is useless longer to attempt to defy the American people.

Yours, for the Exposure of Corporation Sneak Thieves,

THOMAS W. LAWSON.

TO LIFE-INSURANCE POLICY-HOLDERS

At the beginning of my story, in 1904, I made certain accusations against the management of the three big life-insurance companies.

I knew, when I began my story, that the big life-insurance companies were in the hands of grafters and thieves, just as are the great banks, trust companies, railroad companies, and big corporations and trusts.

This I knew and, in plain language, said it.

The big insurance companies, through their officers and trustees, replied by declaring: "He's an unmitigated liar."

I kept at my knitting, for I knew the crimes of these insurance grafters were such that, sooner or later, the world would have an opportunity to judge fairly who were the unmitigated liars and thieves.

The opportunity is at hand.

To-day the press of the world is devoting its space, news and editorial, to a recital of the contemptible and heinous crimes of the New York Life and the Mutual Life Insurance companies—not as I relate them, but as their own officers and trustees publicly confess them.

In the July instalment of my story I called upon policy-holders to sign a coupon blank inserted in *Everybody's Magazine*, and send same to me that I might speak for them in a plan to further their interests.

In response to my call I have received up to October 4, 1905, 16,307 answers, representing \$55,165,916.

I think my readers, when they analyze the following list and take into consideration the character of the senders, many of whom are men of the highest standing—bishops, ministers, governors, mayors, judges, senators, members of Congress, railroad, bank, and trust company presidents—will agree with me that it is the most remarkable collection ever made by one interest since life insurance began.

INSURANCE COUPONS

Received from June 20th to October 4, 1905

New York Life \$18,845,410

Equitable 17,317,956

Mutual 14,550,240

Miscellaneous 4,452,310

\$55,165,916

Alabama 22 Montana 130 Arizona 127 Nebraska 236 Arkansas 124 Nevada 28 California 842 New Hampshire 73 Colorado 211 New Jersey 282 Connecticut 177 New Mexico 40 Delaware 43 New York 1,780 District of Columbia 152 North Carolina 466 Florida 230 North Dakota 143 Georgia 169 Ohio 985 Idaho 150 Oklahoma 154 Illinois 1,012 Oregon 93 Indiana 415 Pennsylvania 1,133 Indian Territory 130 Rhode Island 67 Iowa 560 South Carolina 81 Kansas 316 South Dakota 104 Kentucky 153 Tennessee 157 Louisiana 197 Texas 580 Maine 144 Utah 68 Maryland 126 Vermont 57 Massachusetts 843 Virginia 242 Michigan 406

Frenzied Finance

Washington 417 Minnesota 574 West Virginia 205 Mississippi 173 Wisconsin 318 Missouri 499 Wyoming 36

Alaska 27 Corea 1 Argentina 1 Mexico 71 Bermuda 1 Newfoundland 4 Canada 344 New Zealand 1 Chili 1 Panama 2 China 1 Philippines 16 Colombia 1 Porto Rico 5 Costa Rica 1 Santo Domingo 7 Cuba 4 Straits Settlements 1 England 9 Sweden 1 France 4 Trinidad 2 Hawaii 35 Uruguay 2 Honduras 2 Yukon Territory 4 Japan 4 ——— Grand total 16,307

As soon as I received a number of signatures sufficiently large to warrant it, I quietly began operations.

The first direct result is the investigation now being held. This investigation has proceeded far enough to put before the public absolute proof of all the crimes I have charged, and three to thirty times as many more.

It is now evident to all that:

1st. The policy-holders in the great companies have yearly paid into their company scores of millions more than necessary.

2d. The policy-holders have been robbed of scores of millions.

3d. The vast funds now on hand have been habitually used by the grafters now in control of them in the rankest kind of stock-gambling.

4th. These funds have been used to corrupt the ballot-box and the law-makers of the country.

I repeat, absolute proof of all this has been made public.

It should now be evident to all that:

1st. The funds now on hand are in actual jeopardy, because they are in the absolute control of unprincipled scoundrels.

2d. Unless something is done, and done at once, by the policy-holders, each and every one of the largest companies may become insolvent; that is, they may not be able to meet the engagements of their policies, because of waste of funds, tremendous falling off of new business, tremendous cost of new business, and the nature of the new business—so-called “graveyard business”; for I am credibly informed that they are now seeking to insure those who formerly have been refused insurance because of physical infirmities.

It should also be plainly evident that, if the policy-holders move, and move quickly, they can be absolutely assured that:

1st. The funds as they are to-day will remain intact.

2d. They will be added to by the restitution of from \$75,000,000 to \$150,000,000.

3d. A score of the thieves who have plundered policy-holders in the past will be sent to prison.

4th. The future payments of policy-holders will be largely cut down.

5th. The present swollen surpluses will be returned in large part to policy-holders.

6th. In the future policy-holders will actually run the company.

7th. All policy-holders can be assured that in the future they will receive the actual worth of their policy at surrender.

All this being so, it is most eminently desirable for policy-holders to act, and at once.

The time will never again be so opportune, for if nothing definite is done now, policy-holders will be discouraged for all time.

I have given the subject the closest and most earnest study, assisted by the best insurance experts and lawyers procurable, and guided by the suggestions of over 100,000 policy-holders, for in addition to the 16,000 mentioned, I have received over 90,000 letters. I have come to the conclusion that the one thing for policy-holders to do now is:

To authorize some one in whom they have confidence to select a committee to take their proxies and at once seize possession of the two great mutual companies, the New York Life and the Mutual.

I omit the Equitable at this stage, because litigation may be necessary before the Equitable, being a stock company, can come into the policy-holders' hands. But in the other two, no obstacles can be placed in the way of the policy-holders' taking control.

To empower this committee to bring action at once to compel full restitution and enforce full punishment, and then to change the present method of conducting the insurance business.

The vital question is: Whom can the policy-holders trust to do this?

The “Big Three” are at present spending vast sums of the policy-holders' money to prevent some such

Frenzied Finance

action as this, in the following ways:

First, by moulding public opinion through paid news and editorial items; next, by the collection of proxies; and third, by the inauguration of different moves and dummy suits and investigations.

There are already three of these affairs under way. Almost any way the policy-holders turn for relief they are confronted with traps which, if they fall into them, will make relief and rescue impossible.

Any man or body of men who go to the great expense necessary to collect proxies must have some hidden scheme for reimbursing themselves, or they must be working in the interests of the thieves now in control.

I therefore make bold to say: I am the natural one to make this move.

Just a minute before you pass judgment. Let us see if I am:

1st. I have already spent in my work over a million dollars of my own money.

2d. I am willing to spend, if necessary, two millions more.

3d. I will absolutely prove I want nothing in return.

4th. I will absolutely prove on the face of my plans that I cannot in any way benefit beyond the satisfaction I shall derive from putting another spike in the "System's" coffin.

I ask of the policy-holders simply this:

Fill out the following form of proxy; sign and seal it, and send it to me. Quick action is most desirable in view of contingencies.

[Illustration]

FOOTNOTES:

[20] In the course of the legislative investigation of the great insurance companies in New York, it developed that the Mutual Life Insurance Company conducts a publicity bureau, organized to discredit any one who dares criticise its methods. This bureau is conducted by one Charles J. Smith, on a salary of \$8,000 per annum, and he works through Allan Forman, editor of the *Journalist*. Forman maintains a "telegraphic news bureau" and secures publication in various newspapers or periodicals of matter sent him for dissemination by the Mutual Life, and he is paid \$1.00 per line of the policy-holders' money on all matter for which he obtains publicity. The whitewash paragraphs recently published throughout the country in regard to President McCurdy and the Mutual Life were all paid for on this basis.

II

THE ENEMIES I HAVE MADE

When a man discovers that a public building full of men, women, and children is infested with rats and that these vicious rodents have undermined its foundations and honeycombed its structure, it becomes his duty, first, to warn the occupants of the presence of the rats, next, to show them the damage that has been wrought and how the rats can be trapped and killed—and then he may take a hand in the rat-hunt himself.

That is about what I have been doing, and if proof were needed that the "System" suffered under my exposure of its villainies, I should have it in plenty in the showers of mud bullets it has fired at me. From scores of quarters these volleys came. A regular army of the "System's" votaries must have been out working like Trojans to stop my work, to discredit me, to bespatter me with its dirt.

The manner in which the "System" writhed under my attacks showed how seriously it was hurt. What surprises me was that so little intelligence was exhibited in defaming me. Such wanton, foolish attacks those that were made on me personally! As though it mattered who or what I am in comparison with the accusations I have made. Americans are not fools. To say that Lawson is this or that does not minimize or detract from his charge of robbery and conspiracy.

Every morning after I began to write "Frenzied Finance" I found a new budget of personalities in my mail, in the newspapers, in pamphlets. Learned lawyers traveled about the country slinging mud at me at banquets and society gatherings; scores of hireling weekly and monthly papers devoted pages to vilifying me; the insurance press was laden with assaults, and for fear the public should miss the brickbats, the insurance companies carefully mailed them to their policy-holders. All these tirades were in one key—that of crude abuse. The statements about myself and my career were nothing but lies. They were not even cleverly imagined.

Upon entering on this crusade against "Frenzied Finance" I expected attack. Reforms are not matured to

Frenzied Finance

accompaniments of incense and rose-water, and I had made up my mind to disregard the mud and its slingers. Afterward, if there were any "System" left, I rather looked forward to smothering it beneath the foulness of its own generating. There came a time during the year, however, when I deemed it proper to depart from this resolution and nail some of the lies my enemies were circulating about me. I debated the subject thoroughly, for the rancor of these assaults was evident and I could not help feeling that the general run of my readers would be impatient of the space given these gutter rakers. The determination to go at them was clinched by a letter which came to me, with a number of others from clergymen of various denominations, from a learned Catholic priest, who put the case for a reply most earnestly. He said:

You owe it, my son, to yourself to clear away, for once and all, the charges your enemies have made against you. I have faith you mean all that you say, but there are many, many sons and daughters who are troubled in heart and harassed in mind with doubt whether your motives be pure, and if your deeds in the past have been along the ways of the good. It is my advice, if you will accept it, that you put aside your pride and your dignity and frankly and openly tell us whether these charges that we read are true or false.

BECK VS. LAWSON

I shall deal with the subject as fairly as possible, reminding my readers, however, that I am at a disadvantage in having to use pen and ink instead of the implement appropriate for the purpose, a hose connected with a disinfectant barrel. To begin with, I reproduce the following from the *Toledo Blade*, December 26, 1904. (I have similar paragraphs clipped from one hundred other papers.)

JAMES M. BECK FLAYS LAWSON

Calls Boston Author-Broker a Frenzied Fakir.

DEFINES MONEYPHOBIA

Declares He is Victim of New Disease—Compares His Actions to "Crazed Malay Running Amuck."

PHILADELPHIA, December 26th.—Ex-Assistant Attorney-General

James M. Beck talked on "Moneyphobia" at the thirty-ninth annual commencement exercises of the Peirce Business College. He paid his respects to Thomas W. Lawson in such terms as "frenzied fakir" and "crazed Malay running amuck." ... "There are abundant indications that this epidemic is now rife in the community. The extraordinary vote polled by a Socialistic candidate for President, in a time of general prosperity, seems to evidence this, as does the avidity with which many intelligent people read in a cheap 'penny dreadful' magazine the incoherent, self-contradictory, and self-incriminating articles of a notorious frenzied fakir, who, like a crazed Malay, is wildly running amuck, and, without rhyme or reason, slashing at the reputations of judges, senators, and financiers."

The following is from a Chicago insurance paper, and comes to me with the marginal inscription, "Puncture this bladder when convenient." I may say that I receive hundreds of clippings every day from various parts of the country, sent me by correspondents who are determined I shall be apprised of what my antagonists are trying to do against me.

BANKER ECKELS AND BROKER LAWSON

The splendid tribute to our country's greatness, resources, and possibilities given by President James H. Eckels, of the Commercial National Bank, of Chicago, and ex-Comptroller of Currency of the United States, before the Chicago Life

Frenzied Finance

Underwriters' Association, was listened to with earnest attention.

The brilliant young financier ... believes in life insurance for the people. It creates the valuable habit of saving. He deprecates the malicious attacks on companies by men of mysterious motives, and feels it will be a sorry day if they ever become objects of prey for political thieves.

The banker paid his respects to Thomas W. Lawson, of Boston, whom he characterized as a notoriety seeker and branded as a "discredited, disreputable, despised stock-jobber who glories in his infamy." Mr. Eckels lashed Lawson with caustic language, and stated the American people of judgment are not misled by his diatribes.

Mr. Eckels believes that life-insurance presidents reach their high stations by their own ability and grasping of opportunities. Because a man is elevated to a position of eminence and responsibility does not mean he is dishonest. He arrives there because he cannot be held down and remains as long as he proves his worth. The banker declared that life companies, with their vast funds, were being safely guided by men of superior mental mould.

Mr. Eckels referred to President McCall, of the New York Life, as being a clerk in a State bureau office when he first made his acquaintance. He said President McCall had advanced, like other company executives, owing to his own ability and genius for management.

In an early article in this series I stated that one of the favorite operations of the "System" is to pick off those officials who have exhibited unusual talent or energy in protecting the interests of the National Government. In this way they secure the services of men who know the secret workings of the people's institutions and how best to guard the corporations against the consequences of their misdeeds. During the Cleveland administration there developed a "financial phenomenon," James H. Eckels, Comptroller of the Currency. It did not take long for the astute Rogers-Morgan-McCall clique to see that this young man's knowledge of finance in connection with his governmental position might prove a dangerous obstacle to their machine if he were not captured. It was not long before he was captured.

I met Mr. Eckels during the Cleveland bond performance. I need not enter into the details of that extraordinary affair here, for it is one of the sore spots in recent American history. Briefly, the Administration at Washington attempted to issue \$100,000,000 government bonds and deliver them in a snap sale to the "System." The *New York World* began a crusade against the transaction, and was so successful that the Administration was compelled to offer the issue to the public through competitive bids. The result—the bonds fetched many more millions for the Government than if the deal had been allowed to slip along the ways the "System" had greased for it. I remember well the scene at the opening of the bids. It was in the United States Treasury at Washington. With many others who desired an allotment of the bonds, I was present. We were crowded into a small room, and following the direction of young Mr. Eckels, who handled the transaction, we gave him our bids, which, according to the advertised programme, were in sealed envelopes. After all the bids were submitted—mine was for a number of millions—the envelopes were taken by Mr. Eckels into a rear room. Then a few of the leading financiers present, among them John A. McCall, of the New York Life, J. Pierpont Morgan, and one or two others of the "System's" foremost representatives, got their heads together and began an earnest conference. Certain of them went out of the room and after awhile returned for a further conference. There were several such confabulations and comings and goings, until finally, after a monotonous delay, the bids were opened and the bonds awarded. Morgan, McCall, *et al.*, had secured the bulk of the issue at a price many points above what any one had been led to believe the bonds would sell for, and many points

Frenzied Finance

higher than the “System” and the Government had proclaimed to the people they could possibly sell for, yet at a price which showed millions of profit a few hours after the bids were opened. I do not charge that the public's envelopes were opened and “peeked” into before the “System's” bids were sealed. Such a charge is not necessary. It has been made many times by the press. Mr. Eckels, to the minds of such of us as could see through cracks in a floor wide enough to drive a four-in-hand coach into without unhooking the leaders, had lived up to his rôle as a financial phenomenon, and when some time afterward it was bruited abroad that this able young man was to have the presidency of the City Bank, or any other large bank belonging to the “System” that he might select, there was no surprise, although much comment, in Wall Street. Mr. Eckels finally accepted the presidency of the Commercial Bank of Chicago, where he now is one of the important cogs in the “System's” machine.

The case of James M. Beck has points of similarity. Mr. Beck, a young Philadelphia lawyer, obtained a valuable knowledge of the secrets of the Department of Justice in Washington as Assistant United States Attorney-General, and in the prosecution of the Northern Securities suit got an insight into the “System's” methods. It will be remembered that at the trial of the suit he made a great appearance and became famous as the young champion of the people who had succeeded in “busting” this notorious trust. The victory was hardly announced before it became known that the brilliant Assistant Attorney-General had renounced the cause of the public and had been engaged at a large salary as chief counsel for Henry H. Rogers, of Standard Oil.

Mr. Beck has proved a most available and flexible servant in the cause of his master. He has done Mr. Rogers's bidding in a manner befitting the best traditions of “Standard Oil.” Almost his first work was the trial of the famous Boston Gas suit, in which for weeks he “steered” Henry H. Rogers while on the witness-stand in the Massachusetts Supreme Court. The very night before this case was to be called for trial, the eminent young “trust buster” and people's champion called on my attorney and made him a proposition. It was that I should meet Mr. Beck and agree upon the details of certain testimony that Mr. Rogers and Kidder, Peabody & Co. (the “System's” Boston representatives), and myself would be called upon to give upon the witness-stand next day. My attorney brought the proposition to me.

“Great heavens!” I said, “is it possible that this man has the audacity to come to Boston and ask me to commit perjury?”

“He does not put it in just those words,” my attorney answered.

“No, but he says he wishes to *match up* testimony with me so that we may all testify alike.”

“That is it,” my attorney answered.

“But,” said I, “I have got to state the facts, and the facts are diametrically opposed to the testimony Mr. Rogers and the others are to give. This looks to me like subornation of perjury.”

My lawyer would not have it that way, and I instructed him to secure from Mr. Beck a writing as to just what he wished me to do, and that writing I have at the present time. In it he states that if I do not see him and agree upon the testimony to be submitted in the Supreme Court of Massachusetts the following day, there may be developments which will be decidedly uncomfortable for Mr. Rogers and perhaps for the rest of us.

I did not meet Mr. Beck, and Henry H. Rogers and Kidder, Peabody & Co. told one story and I another. Bald perjury was committed by some one. However, I will give all the facts, including the “match up” letter, when I come to them in my story.

Mr. Beck and Mr. Eckels are the two men designated by the “System” to attend public gatherings and vilify Thomas W. Lawson. They are at it, industriously.

THE DONOHOE EPISODE

As soon as the first chapter of “Frenzied Finance” appeared, Henry H. Rogers turned loose on me one Denis Donohoe, a character thug whom he had imported from California for just such emergencies. Donohoe's first service for Mr. Rogers was a vicious onslaught on Heinze, of Montana, in the *New York Commercial*. This was an attack of such unusual vulgarity and malignity that it won Donohoe his spurs, for soon afterward, when by a characteristic trick Mr. Rogers obtained possession of the *New York Commercial*, he made Donohoe its editor. I may mention that Heinze sued the *Commercial* for \$300,000 damages, and apropos of the suit an interesting complication occurred which seriously interfered with Mr. Rogers's plans. The night before the old owners, from whom Mr. Rogers had grabbed the *Commercial*, were to be thrown into the street, they threatened, by way of reprisal for the mean trick that had been served on them, to confess

Frenzied Finance

judgment to Heinze. One was president and the other secretary of the company, and this action would have settled the proposition. Rogers, treated to a dose of his own medicine, had to make a compromise, and the men are still on the paper. The details of this good story are to be found in the *Detroit Journal*. It was fitting that when I began my exposures of the "System" this thug should be ordered to do his worst by me, and he began the series of virulent assaults that the *Commercial* published and advertised all over the country. The first of these was devoted to proving me crazy, and it was carefully circulated by my friends the insurance companies by way of offsetting the effects of my revelations of their jugglery of the people's funds. Later I showed up the fellow so vigorously that John D. Rockefeller ordered Mr. Rogers to muzzle him in his own paper, whereupon arrangements were made with a New York weekly to act as the sewer-conduit for the lies and abuse this thug was warranted to turn out.

I should not dream of dealing with this man or his fatuous attacks in a respectable publication save that he has been appointed the "System's" chief defender. It really seems as though the game were too small to take time for its killing, but as these weak and febrile maunderings really represent the "System's" reply to my charges, it may be worth while to show, once and for all, what idiotic lies they put forth and what a silly and ineffective falsifier it is that they have made their champion. I shall take the second article of the series and contrast Donohoe's statements with the actual facts.

Incidents in Mr. Lawson's versatile career which even those who are not censorious might well deem shameful.

If in my career I have done anything of which I or any honorable man should be ashamed, then I am willing to stand convicted of all that this character thug charges against me—of being a stock-jobber, fakir, liar.

He claims, if the writer understands him aright, that he is *animated solely* by a keen regard for the public weal in performing what he describes as a public duty.

I stated positively in the Foreword of my story, and have reiterated many times since, that in making these revelations I am actuated first and mainly by a desire to benefit the people of this country, not only by informing them how they are being plundered, but how they can in the future guard themselves, and that if it were necessary to accomplish my purpose I would spend every dollar I possess; but mixed with this desire is a hatred of the "System" as deadly as a man can have for anything human. I have also reiterated that at such stage of this revelation as is possible I shall secure from the "System" every dollar I can wring from it to be used in my fight against it, provided always I can get its dollars in legal, fair, and above-board fighting ways—I mean, in the open market.

Mr. Lawson appears before the bar of public opinion as a volunteer witness for the commonwealth—"state's evidence"—as the lawyers phrase it—and hence his reputation, his motives, his character, his every act, become at once fit subjects for the closest scrutiny and examination.

Whoever says that in telling my story I am revealing anything which it is not fair or just to tell, or that I have not a perfect right to state, says that which is false. I am confining myself to explaining how the "System" gets its money. I do not touch upon how it spends it. If in an honorable way I could write the things that have come to me confidentially, the "System" might well tremble. I confess that at times I have been tempted to depart from my code—when, for instance, soon after the first Donohoe chapter, a man came to me and showed that he had been offered \$5,000 to vouch for the statement—which Denis Donohoe, H. H. Rogers's right-hand man, had printed, and the insurance companies had spread broadcast—that the first ten years of Thomas W. Lawson's business life were spent as an employee of Richard Canfield, the Providence and New York gambler, and afterward as his partner. "Give us an affidavit to that effect and we will pay you \$5,000." To this man I said: "I have never in my life been connected with any gambling—place in any way, nor had to do with gambling in any form, and only once in my life have I set eyes on Richard Canfield. He was in the Waldorf Café one day when I was passing through. However, if I did know him I should not be ashamed to admit it, for I consider Canfield, from what I have read of him, an angel of purity compared with

Frenzied Finance

any one of a score of the 'System's' votaries I could name.” The man left me, but soon after returned. He said: “It makes no difference whether what you say is true or not, I can now secure \$10,000 for the affidavit.” When this kind of fighting is brought to my attention, I am strongly tempted to let down the bars.

He relates, with all the graphic art of a novelist, a wellnigh incredible story. Chicanery, fraud, blackmail, bribery of a legislature and of a judge, systematic pillage of investors and of the American public.

The details I have narrated are facts, and I will prove them to be facts so all may know them.

In delving into Lawson's career—a most unwelcome task—the writer has detected a continuity of purpose, a fixity of design, a uniformity of method pervading his every public act. What he is doing now, *i.e.*, exposing somebody or something, he has repeatedly done on a lesser scale in the past; not from worthy motives, but for the sole purpose of illegitimate pecuniary gain.

Yes, throughout my entire life I have pursued with a continuity of purpose that class I am pursuing to-day—the class that has taken from the people their earnings by fraud or trick. If other proof were needed that the men I am after have lost the discretion which made them great in the world, these foolish yarns supply it. It is well known that no man ever gets near to “Standard Oil” in business or socially until their detectives have dissected his career from the cradle up. I spent years in close business relations with these men, so close that, as I will show later, I acted as the agent not only of Rogers and Rockefeller, but of the Amalgamated Company and the City Bank.

He is at present engaged in attacking the “System,” as he calls it, and the banks and the insurance companies and Wall Street and American finance, by circulars, by advertisements, and through the stock-market, as in the past he has repeatedly attacked other corporations and individuals until he obtained what he was seeking, and in every recorded instance that thing was unearned dollars.

In the past I have repeatedly attacked individuals and corporations until I obtained what I sought in every case—justice for the defrauded and punishment for those who had cheated them, and in no case dollars or their equivalent.

In the gilded biographies of himself which, from time to time, Mr. Lawson has caused to be written and published in newspapers and magazines.

My history is well enough known. I have always lived in the open. It has not been necessary to press-agent myself. A good deal has been printed about me in the newspapers during the last twenty-five years, but if I have ever sought to exploit myself before the public by means of autobiographies or journalistic puffs, and it is so proved by any reputable newspaper, may I be shown up to public scorn.

It was Mr. Stevens who defrayed the expense of a six months' course at a Boston business college for his protégé.

I have never had such a course of six months, nor of any length, nor have I ever been inside a business college.

Mr. Stevens, who was a kindly, philanthropic man, known and beloved by all his fellow-citizens, died years ago, therefore he cannot dispute what Lawson tells.

The late Horace H. Stevens died not years ago, but on March 8, 1904.

Old residents of New York will recall that long before the days of Canfield's gilded palace, and long before the era of the present district attorney, Mr. Jerome, there was a gambling-house known to the commercial traveller and

Frenzied Finance

man-about-town as “818 Broadway,” and that one of the backers of the game was William F. Waldron, or “Billy Waldron,” as he was usually called. Waldron retired nearly thirty years ago from the syndicate that controlled this house and moved to Providence, where he interested himself in gambling and what, for lack of a better term, may be called the cognate industries. One of these latter was a bucket-shop of the ordinary country town type.

This bucket-shop was confined to the tender mercies of one “Jo” Lumpkin as manager. Lumpkin failed to make the business profitable, and Waldron, after attaching \$500.00 that Lumpkin had on deposit in a bank in New York, turned him out. In his place he installed the present loquacious reformer of American finance, Thomas W. Lawson, or “Billy” Lawson as he was then known to the gamblers, race-track touts, and confidence men who made Providence their head-quarters.

My readers will agree with me that such weak and feeble rot is beneath any man's attention, for even if what is here charged were true, namely, that a young man of twenty-one had been so employed, it would have no bearing on his work twenty-six years afterward; but as I have decided to take cognizance of this stuff, here are the facts:

What to-day is known as the bucket-shop evil—that is, the speculation in stocks over the counter at offices conducted by brokers outside the pale of the law or the Stock Exchange—did not exist at the period mentioned. This method of conducting speculation, however, had just been invented, and many of the legitimate brokers, Stock-Exchange members, utilized the new form in their ventures. Indeed, the number of brokers and brokerage shops outside the Stock Exchange was as large, if not larger, than that of the regular houses. At the time Donohoe treats of I was doing considerable business for a young man, as will be evidenced by my business card of that period:

+-----+

| THOMAS W. LAWSON &CO., |
| |
| BANKERS AND BROKERS. |
| |
| Dealers in First-class Investment Bonds and Stocks. |
| Offices: Boston, Providence, New York, and Chicago. |
| |
| President of the Lawson Manufacturing Company. |
| President of the McDonald-Lawson Manufacturing Company. |
| Vice-President of the Briggs Printing Machine Company. |
+-----+

I regularly visited every week my offices in Boston, Providence, and New York. At one time I had a Providence office in the building marked in the cut in the Donohoe story, and the sign over the door was “Thomas W. Lawson &Co.”

It was in Providence, during the heyday of the Waldron-Lawson enterprise, that Lawson ... first met “Jack” Roach, whose apparent employment now is selling diamonds on commission to the so-called “sporting element” of New York, but who is acknowledged to be Lawson's personal representative in this city. It was there, too, that he made the acquaintance of Herbert Gray, who subsequently conducted a gambling-house in Boston, and who recently served as one

Frenzied Finance

of Lawson's captains and managed his trotting stable. Ben Palmer, a well-known character in State Street, who is one of the main cog-wheels of Lawson's machine, first made Lawson's acquaintance during this period of his career.

I do know the Waldron Brothers, of Providence, who are among the oldest residents of Rhode Island, and who, with the present United States Senator Nelson A. Aldrich, composed the great wholesale grocery house of Waldron, Wightman & Co. They did not graduate from a gambling-house on Broadway. I knew the brother referred to familiarly throughout Rhode Island as "Honest Bill," and a royal old fellow he was. I did business with him in those days, and to any connection I ever had with him I look back with pleasure. He was then conducting a farm in the suburbs of Providence, and in a straightforward, old-fashioned way supplying that city with produce and poultry, and had, to the best of my knowledge, the respect and confidence of all who knew him. I never knew of his having been a gambler, and had no means of knowing, as such matters were then an unknown world to me.

I never, up to reading it in Donohoe's story the other day, heard of 818 Broadway, curious as it may seem for a man of my experience. My knowledge of gambling has always been confined to that kind which comes under the head of stock gambling. I had not met my present friend, John J. Roche, of New York, at the time mentioned. I never heard of Herbert Gray, of Boston, until I employed him to manage my stable in 1899. I have known J. Benjamin Palmer all my life. We were boys together on State Street. Afterward he was the Stock-Exchange member of one of the oldest banking-houses in Boston. He is still a broker on State Street.

Nothing of certainty can be learned of his career during this period. That he sold "base-ball" cards (a unique kind of playing-cards) at the Providence railroad station is stated on credible authority; that he "worked the trains" between New York and Providence; that he sold books; that he was a hanger-on at race-tracks, has been alleged. Any or all of these rumors may be true—or false—for whatever may be said of Lawson, his career has undoubtedly been one of marvellous activity in many diversified lines.

I have never sold baseball playing-cards at the Providence station, nor anywhere, at this time nor any time, but I did invent the Lawson Baseball Playing-Cards, and was president of the Lawson Playing-Card Company. I never sold books at this time nor any time, and never "worked trains" at this time nor any time, although I fail to see any disgrace in such honest employment; nor had anything to do with trains in any way whatever at this time nor any time except to ride in them. I have never been a hanger-on at race-tracks, and have never had anything to do with a race-track of any kind other than visiting one for the first time in 1899 to see my own horse, Boralma, race, and four or five times since to see my own horses run. I desire to dwell on this especial accusation because these character thugs have caused it to be published throughout the country that I am and have always been a *habitué* of race-tracks and a plunging bettor upon races. I regret that it is my misfortune never to have seen a horse-race until 1899, but if it can be shown that I was ever upon a race-track before that time, I will agree to stop writing this story of "Frenzied Finance."

In 1882, a concern known as the Briggs Printing Machine Company was incorporated in Rhode Island ... to manufacture a machine that was advertised to "print, cut, pack, and fasten with twine 100,000 tags per hour." Thomas W. Lawson secured the job of selling agent of this company, and he proved so successful and the advertising matter which he wrote brought such handsome returns, that we find him in 1884 promoted to the position of manager and enjoying a salary of \$150 per month. Later he became the secretary of the company, and very shortly thereafter, in 1887, the enterprise collapsed, was sold out by the sheriff, and realized little or nothing for the numerous creditors....

Frenzied Finance

It is true that I was the vice-president of the Briggs Printing Machine Company, which was organized and owned by others before I had aught to do with it. I was induced to invest considerable money in it and to take charge of its affairs. The Briggs Company was a close corporation. Its stock was never sold to the public, and after I left it it met with failure.

In December, 1888, the Lamson Consolidated Store-Service Company was incorporated at Boston. Its purpose was to exploit an invention of W. S. Lamson ... the overhead trolley system used in department-stores for carrying cash and parcels.... The capital stock at the beginning was \$250,000—par value of shares, \$50. The company was doing business and declaring two and a half per cent. dividends quarterly, when Mr. Lawson stepped in and began to manipulate the stock. The price of shares rose steadily to 122. Under the influence of speculative excitement the directors increased the capital stock to \$1,000,000, then to \$4,000,000. Mr. Lawson boomed the stock on the basis of a report, totally destitute of truth, that an English syndicate was about to purchase a controlling interest in the company. Having unloaded all the shares at his disposal on the uproad to 122, Mr. Lawson suddenly one morning awoke to a realization of the fact that Lamson Store-Service shares possessed absolutely no value, and he at once took the public, as is his custom, into his confidence. In circulars, by advertisements, and by cunningly contrived “news” items he insistently dinned into the public ear that Lamson shares were valueless. The result was as well might be imagined. The stock declined to 30, whereupon Lawson bought it back and then and there made his first grand *coup*. It is said that first and last he realized \$250,000 from the Lamson shareholders.

I did “Lawsonize” the Lamson Store-Service Company, just as I am at the present time “Lawsonizing” the “Standard-Oil”-Amalgamated-City-Bank crowd. The Lamson Store-Service Company, with \$4,000,000 capital, was blunderbussing all who dared oppose it—all who refused to be bulldozed into consolidating with it. It was the most vicious exponent of the “Trust” methods I had ever met up to that time. Its arrogance, audacity, and crimes were the themes of the newspapers and courts of the day. A most casual investigation of the newspaper files, particularly in Osgood *vs.* Lamson, and The New York Store-Service Company *vs.* Lamson, will show a state of corporation assassination equal to that of the “Standard Oil,” only on a smaller scale, of course. Perjury, bribery, and even murder will be found openly charged and in some cases proved. At the height of the sensational career of the Lamson Company it ran into one of my corporations, The Lawson Manufacturing Company, and started in to “do me up” or compel a consolidation, and—well, I gave it battle. The following circular to the stockholders will show how the battle started:

Dear Sir: I deem it my duty to say to you, as a shareholder of the Lamson Store-Service Company, that your Mr. Lamson and his agents have opened up on my company, and with their usual criminal methods are endeavoring to ruin us. This circular is to inform you that I have this day given notice to each of your officers and directors that, in three days from to-day, if they have not stopped their dirty work and taken their hands off my company, they will take the consequences. I do not pretend to be able to meet them on the fighting grounds of the courts, for I know too well

Frenzied Finance

their power of corruption and jury-buying, but I assure you I have other ways by which I can stop them, etc., etc.

If Donohoe had desired to deal with facts, he could not have missed the details of this story, of which the papers at the time were full. It was a fight which would have warmed the heart-cockles of an embalmed warrior of the catacombs. Lamson stock was selling at 62, the highest price it ever attained, not 122, as this numskull states. When I began operations I slaughtered it and the reputation of Lamson and his associates; and in the midst of the fight, when the shares were down to 18, or perhaps 14, a great public meeting of stockholders—there were a whole lot of them—was called in the city of Lowell, and, amid fiery speeches, Lamson was told to choose between refuting my charges of fraud and being deposed from the presidency of the institution. Lamson attempted explanations, but the hard-headed stockholders did what the Amalgamated stockholders will some time do, passed resolutions that Lamson must punish me for libel or that they would punish him. The gathering then adjourned to a future date, at which Lamson was to report what action he had taken to punish me for my crimes. The next step was interesting, and bears on an accusation I have seen mentioned frequently of late. I had, when I began my fight, laid before Mr. Joseph Pulitzer, of the *New York World*, the dastardly crimes of which the company had been guilty, and was even then engaged in committing, and he had said: “Damnable! I will aid you in exposing them.” And he did. Day after day there were broadsides in the *World* relentlessly denouncing the rascalities of the Lamson outfit. These finally stirred them to action. One day I received word that some trickery was being put up in the district attorney's office in New York. A few days later there appeared at my office in Boston a police officer from New York and three of our head Boston police officers. They said to me: “We regret, Mr. Lawson, but we must take your secretary, Mr. William L. Vinal, back to New York, as he has been indicted for spreading false reports.”

“Has any one else been indicted?” I asked.

“Oh, yes,” they replied, “you and some of the *World* people.”

“Mr. Vinal has done nothing but obey my orders,” I said. “Why don't you take me?”

“We have no orders to,” was the reply.

I saw the game and sent word to the Governor of Massachusetts, who promptly told the combination: “Go slow, gentlemen. Remember you are not in New York now, but in Massachusetts.” He ordered a public trial. Within two hours from the time they laid hands on my secretary I brought suit in his name for false arrest against the officers who were trying to arrest him, and grabbed the New York official before he could skip out of town. Then I went to see the Lamson crowd and we had it out. They begged that I allow Vinal to go to New York, just to vindicate them, in which circumstances he would be allowed to return on the next train, and the case would never be heard of again. If I would consent, they would agree to a reorganization of the company and the dropping out of Lamson. I showed them that they had gone too far, that I had damaging information as to how they had secured the indictment, and that now they must take the consequences.

I took the “midnight” for New York, and in the morning was at District-Attorney Fellows's office. I dared him to arrest me or the officers of the *World*. He replied: “I don't want you, Lawson. I cannot and won't help you advertise your fight.” It proving impossible to get up any excitement in New York, I returned to Boston, and the extradition proceedings furnished a most sensational trial. The cause was bitterly fought. The lawyers even came to blows in the governor's chamber. Finally, when Governor Brackett had all the facts before him, he said: “You cannot work your dirty tricks on me,” and he entered a vigorous refusal of the application for Mr. Vinal's extradition. This case established precedents for all such proceedings since.

The fight won, pressure was brought to bear on me to let up on the Lamson outfit and call off further proceedings. For some time I persistently refused to do so, as I was determined to contest the constitutionality of the law. Finally, however, on condition that Lamson should be thrown out, the management of the company reorganized, its criminal methods abandoned, and all records and trace of the indictment against myself and the others removed from the district attorney's books, I consented.

This is the history of how I “Lawsonized” the Lamson Store-Service Company, and if there is anything I have ever done that was good to do and well worth doing, this was it. I am just as proud of my work here as of what I did in the General Electric fight upon which I have already touched. In the Lamson reorganization I was offered all sorts of good things, but I refused, as I always have in such affairs, to benefit in any way but the open and fair one where I go into the open market and stake my money against that of my opponents on

Frenzied Finance

my ability to prove I am right. The facts here are of legal record. Following is the Donohoe–Rogers version. The mendacity is obvious:

Among the unfortunate Lamson–Service stockholders were numbered several aggressive people of the old-fashioned kind, who resented Mr. Lawson's peculiar way of doing things. These submitted, in 1892, to the grand jury of the city of New York a sheaf of Lawsonian literature, comprising his scandalous attacks on the company's securities. The grand jury indicted Thomas W. Lawson, and Colonel John R. Fellows, the district attorney, and his assistants, Francis L. Wellman and Mr. Lindsay, went to Boston to try to have Lawson extradited. The Governor of Massachusetts came to Lawson's rescue in the nick of time and declined to honor the request of the Governor of New York for his extradition; but for years thereafter the future author of "Frenzied Finance" made his trips to this money-centre incognito.

THE GRAND RIVERS ENTERPRISE

In 1890 the entire country rang with the fame of Grand Rivers, and it was Thomas W. Lawson, of Boston, who pulled the bell-rope.... The scheme, as may be deduced herefrom, was a most comprehensive one. The development of the "marvellous deposit of coal and iron," which had been discovered upon the property by Mr. Lawson, one day while seated in his revolving chair in his State Street office, furnished the basis for the incorporation of the Furnaces Company. After \$2,000,000 had been "expended," the clamor of the stockholders caused the company actually to build several furnaces. They were erected and stood idle, with nothing to feed them. The whole scheme collapsed in 1892. The stockholders lost every dollar of their investment....

In this, his fourth financial venture, Mr. Lawson did but repeat his former experiences—except, in this case, the loss sustained by those who reposed confidence in his promises was heavier than in any of his prior undertakings.

The Kentucky experience is one of the pleasantest memories of my life. Measured by dollars and cents it was expensive but was well worth it, as the young man remarked who broke his arm by being thrown from his horse into the lap of his future wife. It makes a long story, and I shall only touch on the leading facts concerning it by way of showing the desperate straits my enemies are put to in their efforts to discredit my career.

My present brokers, Messrs. Brown, Riley & Co., one of the oldest and largest Boston and New York Stock Exchange houses, had floated the Grand Rivers enterprise for some of their wealthy clients. It was an iron, coal, and furnace proposition, and before I ever heard of it, it had been bought and paid for, and enormous furnaces were under way. It was a close corporation. After a very large amount of money—in the millions—had gone into the property, I was induced to take the executive management, and also I put in a very large amount of my own money. My work was to be that of business director, for I did not know an iron or a coal mine from an alabaster ledge in the lunar spheres, and not half as much about an iron smelter as I did about converting whiskers into mermaid's tresses. However, one of the greatest iron men in New England, Aretas Blood, president of the Manchester Locomotive Works, and of the Nashua Steel and Iron Company, was at the head of the enterprise, which apparently safeguarded it. Well, it turned out that there was no iron in the mines—at least not enough to pay for extraction, and the investment simply disappeared. I lost a very large amount—at least, a very large amount for me—but I had to show for it the love and friendship and

Frenzied Finance

respect of the inhabitants of one of the fairest places on the earth—a place where brave men and lovely women live in peace and comfort in the knowledge of their own fearless, simple honesty, and their hatred of shams and trickery—in absolute ignorance of frenzied financiers and the “System's” votaries.

The history of Grand Rivers is an open book. There is no secret about my connection with the enterprise. It was a straight and proper venture. The men who are my brokers of to-day fathered it, and they are men of honor, probity, and responsibility, who since my first year in business in 1870 have been my close business associates and personal friends. Why do not Donohoe and his breed of gutter-rooters, when seeking information about me, ask such men as these for facts about my life?—they know what every hour of it has been. Strange as it may seem to such vampires, the men I began to do business with when I was a boy I am doing business with to-day, and they are my associates and friends.

I postponed until the last moment writing this article in order that I might be able to diagnose the “System's” attack on me. The first of the widely advertised series was such a foolish and asinine thing as to be unworthy of notice, and I desired to see how much further the second would go. In the former it was charged that I was writing my articles solely for the purpose of securing stock-market profits and compelling the “System” to settle; in other words, that I was attempting to blackmail them; that I had no honorable motives in writing my story, and had no remedy of any kind in mind; that in the recent panic I had made a million and a quarter of dollars; that I had secured President Roosevelt's message eight days before it was published; that I had advertised on November 29th, unqualifiedly advising all to purchase Amalgamated, and that on December 6th I had advertised advising all to sell. It is true that I did advise the public to sell, but that in my advertisement of November 29th I advised the people to buy Amalgamated I positively deny. I carefully avoided doing so. The other statements are equally false, and were made with a full knowledge of their falsity.

The incidents in my career about which I have here set forth the facts are not secret. All the things I have stated are fully susceptible of proof. For another instant let me take the assertion that my motive in this crusade is personal gain through stock-jobbery, and that I have no aim or end in view other than that. Well, I can to-day show the Remedy to which I have alluded so often, and which when I worked it out in 1893 I had printed with full detail. It is in my vault now under lock and key. In the year 1894, in London, I laid a copy of this document before Joseph Pulitzer of the *New York World*. Remember, this was a year before I met H. H. Rogers or any of the “Standard Oil” party.

Since Donohoe began his latest series of attacks I have had scores of letters commenting on them. A significant verdict on what the man is accomplishing is the following:

BUFFALO, N. Y., January 23, 1905.

Dear Sir: I herewith enclose you copy of a letter just sent to Mr. Donohoe, also to the editor of ——

Yours respectfully,

(COPY)

January 23, 1905.

MR. DENIS DONOHOE,

Financial Editor, *New York Commercial*, New York City.

Dear Sir: With considerable pleasure, satisfaction, and conviction, I have carefully read all the articles on “Frenzied Finance,” by Mr. Lawson, and from my limited knowledge of affairs, gained by fifteen years of active life, am of the opinion that he has been telling facts, although at times they are clothed in the language of a writer of fiction.

I have been waiting and confidently expecting, during the past six months, that some able, honest, unbiassed, and free-handed man would take up the discussion against Mr. Lawson, and in this way aid the people in viewing the entire subject with all possible side-lights, so that when public

Frenzied Finance

opinion shall be finally formed, as surely it will be in the future, it may be as nearly right as possible and only the guilty suffer. It was, therefore, with a high degree of exultation that I purchased ——of January 19th, upon the first page of which in bold type appears: “Lawson Answered—the Truth About Frenzied Finance.” At the sight of these words I said in almost audible tones: “Now we shall hear the other side, or at least learn what Mr. Lawson has omitted, if anything.”

I have just finished reading your article in said issue of ——, and as you now pose as a public writer and benefactor, you of course will welcome frank, honest criticism. After reading and rereading your said article, I am, against my desire, forced to the following conclusions:

1. You are either one of the “System” or are hired by it.
2. This article of yours was prepared for the purposes of making two points: (a) Working on the sentiment and passions of the weak, and the women; and (b) diverting public attention and opinion from the real facts at issue, by attacking Mr. Lawson's personal character, which is not up for discussion.
3. Your article is full of high-sounding declarations, and void of either logic or common sense.
4. In your endeavor to express the wishes of the prejudiced and biassed, you are undoubtedly dishonest with yourself without deceiving the public.
5. Your article lacks the ring that carries conviction, either as to your sincerity or the truthfulness of the statements you make.
6. The article indicates that you are vainly trying to ape Mr. Lawson's style.

Yours respectfully,
E. G. MANSFIELD,
Attorney-at-law.

Following the Donohoe outburst there came innumerable letters, of which this is a good sample:
TACOMA, WASH., February 14, 1905.

Dear Sir: It would be greatly appreciated by at least one of your readers if you would furnish the great and only Donohoe the details of some really scandalous epoch of your past. It has been stated many times that one man cannot make a million dollars and do it honestly, so we must assume you have done some “things” in your past. We have a very high regard out West for the works of Mr. Dooley and Mark Twain, and also are regular subscribers of *Puck* and *Judge*, and we don't want to see these noted writers and periodicals unseated, even for the time being, by Mr. Donohoe.

Therefore we ask you to give him some tip from which he can work out something serious, so he can make a statement that is not “reported,” or the deduction of which does not require Sherlock Holmes.

His work of “dissecting” so far reminds us of the work of a

Frenzied Finance

six months' student of a medical college on a Tom cat (no pun meant).

Yours very truly,

L. H. M.

I answered as follows:

My Dear Sir: Your request is similar to that of a hundred other correspondents. I regret I can do nothing to help out. Donohoe's trouble is, he is short of facts, so "short" that he seems to me completely "cornered." I am "long of" them, as you and all my other readers will admit before I am through my story, but my facts are not the kind Donohoe can use, or I would willingly let him have a few to assist him out of his present predicament.

Donohoe's employers, Rogers and the "Standard Oil," knew before they put him on to his present "job" that my life was a peculiarly and unusually open one—one that had absolutely no dark or covered corner in it; they knew it not only because all men in my walks of life know it, but because they had investigated it with their unerring search-light. Most men who have ever been on the inside of "Standard Oil" know that no man with a bad record could do business, much less have an intimate relation, with Rogers and Rockefeller for nine seconds; and my connection extended over nine years.

The tone of my correspondence during the year was not by any means altogether friendly. The writer of the following letter presented his conclusions straight from the shoulder and I was equally direct in my reply:

Personal.

GAINESVILLE, FLA., February 21, 1905.

MR. THOMAS W. LAWSON, Boston, Mass.

Dear Sir: Pardon my "buttin' in"—seems I must say something.

If what Donohoe says about your Trinity Copper Company is true, it would seem you ought to stop throwing mud at the Standard Oil crowd, for you are no better than are they, and they are known thieves and robbers. While you may be telling the truth about the other fellow, yet the fact of your telling it does not set well on the stomach of those who read both sides of the story. Seems to me it's "dog eat dog" until every one is disgusted.

Why don't you come down to business and give the readers of *Everybody's* something wholesome to digest and plenty of it? The way it comes now, we are over our hunger before the next issue shows up, and, in the meantime, your friend has converted many to the thought that you are worse than the Standard Oil crowd.

Won't you please answer, in the next issue of *Everybody's*, if you made your money—your fortune, HONESTLY, or did you "do others" for fear they would "do you"? I am inclined to think you are as big a "grafter" as ever came down the pike, even though you may be telling on the other fellow—turning State's evidence.

Yours truly,

You ask why I do not get down to business. You won't mind my telling you the principal reason is that it is *I* who am writing "Frenzied Finance," not you nor any of your kind, and that I propose to decide when it is time to get down to business. If in the meantime there is any one else who can do the job I have cut out better than I, why, none will be better pleased than myself. Indeed, I will gladly contribute as a reward to my successor double the many thousands of dollars I am paying each month to get this work of mine properly before the people.

Frenzied Finance

What Donohoe says of my Trinity Copper is not only absolutely false, but has over and over again been demonstrated to be so. The actual facts regarding that property have been printed time and again in reputable Boston newspapers, and casual inquiry will obtain you the full details. In addition, practically everything which Donohoe, the hired mouthpiece of "Standard Oil" and the "System," has said is absolutely untrue and made from whole cloth. When I say this I cover all criticism which has been made upon me or my work by "Standard Oil" or the "System," for this character thug has utilized every dirty slander which my enemies ever invented and put into circulation.

Did I make my fortune honestly, you ask? and I answer: In thirty–six years of active business life, very active, embracing transactions through which I have passed from poverty to wealth and back again from riches to poverty, and in which I might easily have retained the riches by sacrificing a principle, I have never once in all these years and in all these transactions done a wrong to man, woman, or child, nor taken from man, woman, or child a dollar unfairly, much less dishonestly. Rather a remarkable record, you will say, for one who has made millions in the stock business. But I should not be broadly honest if I did not add the modification that these millions of dollars were made in the open stock–market, by methods which in the open stock–market are called fair and honest; that is, I have played the game according to the rules, and the "other fellow" has had equal chance with me and might have done anything I ever did. If, however, business were conducted as it should be and as it will be after my "Remedy" has reformed present conditions, such methods will net those using them only thousands where I have gained millions.

You add that you are inclined to think I am a "grafter." In reply I can only say you would not dare—and I don't know your size, color, or length of trigger–finger—to say it in my presence, though of course, it is absolutely immaterial what you or your kind think of me or my work.

THE LAWSON PANIC

During the eighteen months in which "Frenzied Finance" has been before the public, history has been made at a stiff pace. Next to the insurance revelations which are still in process of deliverance, the most striking demonstration of the period has been the flurry in stocks which was spoken of as the Lawson panic. In the February, 1905, issue of *Everybody's Magazine* I dealt with the performance and its attendant phenomena.

Without undue vaunting, I may say that my explanation of the mysteries of modern finance has not been without immediate profit to the public. The people, accustomed to invest their money in the legitimate securities of the country, had time and again lost hundreds of millions without dreaming that they had been as ruthlessly robbed as though held up at a pistol–point by a highwayman. They imagined that the great capitalists whose names were emblazoned in the press throughout the land, and who managed the banks and trust companies and insurance corporations to which their savings were intrusted, were noble and public–spirited gentlemen of the highest moral principles and of absolute integrity. They know to–day that many of them are reckless and greedy stock gamblers, incessantly dickering with the machinery of finance for their own private enrichment.

I have stripped the veil from these hypocrites and exposed to all the world their soulless rapacity. I have let the light of heaven into the dim recesses of Wall Street in which these buccaneers of commerce concocted their plots. I have done more than this: I have nipped in the bud the newest conspiracy for the entanglement of the public—the great "bull" market which was organized late in 1904 by the chief votaries of the "System," to harvest a new crop of profits on the securities they had laid in during their last raid. In other words, I have treated Wall Street to a dose of its own medicine.

During the month of December the newspapers devoted considerable space to the doings of the stock–market in connection with the episode to which I refer. I use the word "episode" purposely, for I warn my readers that it was but one of a series of disturbances which must occur before the grasp of the pirates on the great financial interests of this country can be shaken off. David slew Goliath with one pebble from his sling, but the giant "System," entrenched in the stoutest citadel ever constructed, and armored in gold and riven steel, will yield to no mere call for surrender. My own part I have cheerfully taken with no delusions as to the difficulties of the contest. He who interferes between the lamb and the wolf is likely to provoke the wrath of the wolf, and I have done worse, for have I not come between the lions of finance and their willing prey?

It is worth while here to rehearse the steps of this first disturbance, because it constitutes part of a

Frenzied Finance

movement destined to wield a tremendous influence in this country's history. While my revelations of the methods of the "System" were circulating throughout these United States, the "System" was engaged at its old trick of inflating the prices of its favorite stocks and bonds and spreading its nets for another gigantic plundering of the people. In the stock-market and in the highways and by-ways and resting-places of finance nothing was heard for months but fairy tales of great earnings of railroads and industrials, fairy tales of new ore in old mines, fairy tales of great financial forces converging toward colossal combinations.

These are the lures of the "System's" hirelings, the decoy calls of the market tout and the financial tipster whose part it is to mould opinion and urge the people to the shambles. Before my eyes, with a blind and audacious defiance of my warnings, the old, old game was rigged in full view of the audience and the old players began their venerable antics. In the meantime the "System" attended to its own rôle in the conspiracy—supplying out of its banks and trust companies the public's money for the gamblers to make the game with. Then began the artful process of working up the market; stocks gradually climbed higher and higher. Amalgamated ascended from the forties into the fifties and the sixties and even into the eighties; steel assumed the appearance of life and grew from ten slowly upward into the twenties and thirties. Every day in the Stock Exchange hundreds of thousands of shares changed hands back and forth among the professionals who lustily played their parts in this financial melodrama. The good old myths of great fortunes made by lucky investors began to reappear in the papers. Sales increased; values jumped rather than climbed. The trap was set; the market made. The wily manipulators rubbed their hands gleefully. The public began to bite, to buy. It was then only a matter of sizing up the wool crop before beginning the shearing.

Before I detail the steps I took to spring its own trap on the "System," I should explain that this market was purely an artificial one. The immense advance of prices was not brought about by any honest methods or legitimate causes. The "System's" votaries had enormous quantities of stocks—millions upon millions of shares, bought when the people during the past two years were compelled to throw them overboard at slaughter prices. By employing one of the oldest swindling devices known to finance,[21] they could bid prices to any figure they desired. Honest financial writers called attention each week to the tactics of the manipulators and declared the high quotations unjustifiable and unreasonable.

At the stage of the game that I felt sure immediately preceded the unloading signal, I determined to test whether the people had really digested as well as absorbed the cold facts I had been lading out to them in my story of "Frenzied Finance"—whether they had grown wise enough to heed a warning. So on Monday, December 5th, I carefully prepared the following advertisement, which was published Tuesday morning in the great papers of the great cities of this country and later in Europe.

AMALGAMATED STOCKHOLDERS—WARNING

From the creation of Amalgamated I have continuously believed in its worth and constantly advocated the purchase of its stock.

Henry H. Rogers personally negotiated with Marcus Daly for the properties which went to make up the Amalgamated Company.

Henry H. Rogers alone knew absolutely their values.

Henry H. Rogers's associates took his word for them.

While they cost Messrs. Rogers, Rockefeller, and associates only \$39,000,000, we all believed they were worth more than the \$75,000,000 at which they were sold to the public.

Shortly after the public flotation at \$100 per share, the stock dropped to 75. I did all in my power to prevent the decline, losing millions in the effort, but I retained my faith in the real worth of the property.

Some of the insiders made millions; the public was fleeced of millions.

I still refused to be discouraged. I urged Messrs. Rogers and Rockefeller to make good their promises made through me

Frenzied Finance

to the public. Finally they consented. The stock advanced until it sold at 130.

At the highest price I was still buying and advising its purchase. Then there came the awful slump which slid the stock down to 33. I lost enormously; insiders made vast profits. The public was again fleeced.

At 33 I began a new campaign to induce my followers and the public to buy. As a result there were purchased by hundreds of people all over the country directly and indirectly through me, rising 260,000 shares, at an average of 40 to 42, and probably hundreds of thousands more which I could not trace.

This campaign I have prosecuted incessantly up to the present time, until now I estimate the public holds 1,000,000 shares, 700,000 of which show at to-day's price, 82, a profit of \$28,000,000.

When my story, "Frenzied Finance," began, I advertised that it could do no damage to Amalgamated stock, but would help it.

Hoping to divert the dangerous disclosures I threatened, the leading attorney of Messrs. Rogers and Rockefeller asked for a conference. At it he demanded of me what I expected to accomplish. I replied: "One thing, at least—to put the price of Amalgamated back to 100, that those unfortunates who still retain their stock may recover their money."

Then the secret was revealed to me that Amalgamated was not worth anything like the price at which it had been sold to the public. I said: "How can this be?"

He answered: "Mr. Rogers knows for a certainty that Marcus Daly deceived him about the worth of the properties."

I had great faith in this attorney. He was sincere in what he said; his knowledge and relations were such he could not have been deceived, and his special information about this property was such that he could speak in the first person. I believed him. Soon afterward another official of Amalgamated confirmed his statements.

When I received this information my dilemma was a terrible one. If I gave it to my following they would at once throw over their stock, probably at a great loss. I waited. Sooner or later I knew these men would get behind the market, push up the prices of the stocks they had gathered in at bottom figures, and, when the moment was ripe, again unload on the public.

The market "came in." I did all in my power to assist in raising the price of Amalgamated.

To-day's situation is the same as that of 1901.

"Frenzied finance" stock gamblers have accumulated immense lines of Amalgamated. The same sensational rumors of a great rise to come flood Wall and State streets as in 1901. They have asked me to join in creating a wild market upon which all the Amalgamated taken in at lower prices may be turned

Frenzied Finance

out upon the public.

It would be millions in my pocket to assist, but——

I see the handwriting on the wall which the “frenzied financiers” of Wall Street do not yet see. It reads:

“The people will not stand plundering any longer.”

And I have decided.

I advise every stockholder of Amalgamated stock to sell his holdings at once before another crash comes. Another slump may carry it to 33 again, or lower.

It may go higher, but this is no affair of mine. From the moment of the publication of this notice all those who have looked to me for advice must relieve me of further responsibility.

As the people who look to me for advice are scattered all over this country, I know of no other way than this to simultaneously notify them of what I have learned.

If the powerful people who manage and control Amalgamated, and who, after selling it to the public at \$100 a share, allowed it to sink to \$75, and after it had advanced to 130, smashed it to 33, regardless of their sacred promise to me and the public through me, now reveal to me that it is not worth over 45, it is inevitable that if they are honest in what they say, the stock must go there of its own weight. If they are not honest, they will put it there anyway, and lower still.

I would have waited until the reckless speculators who are now manipulating the market had put the stock higher, but I did not dare. During the past two days I have detected unmistakable signs that the vultures are gathering for the feast.

In the past I have told what I thought I knew about Amalgamated; from to-day I shall tell what the men who control and manage Amalgamated say they have found out about it. No stockholder should, after this fair notice, object or accuse me of trying to injure the property, even though I be compelled to begin court proceedings based on this information so lately revealed to me.

This advertisement and my mailed notices will appear in New York and Boston, Tuesday, December 6th; in the Eastern and middle portions of the United States Wednesday, and the balance of the country, Canada and Europe Thursday, and I shall wait until Friday, that all may have ample time to dispose of their stock, if they care to, before making my next move.

Every holder of Amalgamated must keep before his eyes this one tremendous fact: His property is now absolutely at the mercy of men who have the market in the hollow of their hands, and who in the past have raised this stock to the highest and then dropped it to the lowest without heed or concern but for their own pockets.

COPPER RANGE

Frenzied Finance

Since Copper Range Consolidated sold at 12 I have advised its purchase. To-day it sells at 70. All who have followed my advice have made immense profits.

Copper Range has 385,000 shares; Amalgamated 1,550,000.

Copper Range is a new property at Lake Superior, consisting of three immense mines and a railroad, with the latest and most complete plant in the world, including its own smelters. It is the largest and richest copper mine discovered and developed in the past twenty years. It is producing now 40,000,000 pounds of copper annually, and will in the near future become the largest producer in the world.

Amalgamated pays 2 per cent. in dividends. Copper Range will pay 6 per cent. in the coming year, and continue to increase, to what limit no man can tell. If the present market for copper, the metal, holds at 15 cents, and the best judges think it will probably go higher, Amalgamated should increase its dividends to 4 or 6, but with 15-cent metal Copper Range will earn and pay 8, 10, and 12 per cent., and upward.

The curse of Amalgamated has been "Standard Oil" management. Copper Range has been, and is, directed and controlled by representative Boston copper men, who seek their profits in the mine and not in the stock-market.

THOMAS W. LAWSON.

BOSTON, December 6, 1904.

The result of this announcement proved that my message had not fallen on stony places, but had been accepted by the public in the spirit of its giving. All Tuesday, Wednesday, and Thursday the people sold their stocks to the "System's" votaries at the falsely inflated prices these gentry had forced for their own plundering purposes. Instead of gathering in the savings of the toilers, the "System" had to part with some of its wad. For once the people got the money and the "System" had the stocks. Under the stress of tremendous selling the price of "Amalgamated" was shattered. Other frenzied finance stocks declined in sympathy. The power of publicity had been triumphantly vindicated and the cries of frenzied financiers, their mouths full of their own fish-hooks, resounded through the land.

That this condition would be allowed to prevail long, I knew was improbable. The "System's" leading votaries got together and organized to stop the frightful decline in prices. The old cuttle-fish methods were at once resorted to—a campaign of falsehood, deception, and trickery began. Lest the people should realize that it was their power which had wrought such havoc, the touts and tipsters shouted in chorus that the slaughter of prices was the work of the "System" itself, and that I was secretly in league with the "System" against the public; that, the public having been robbed of its stocks, prices would advance with an extra bound. Scores of millions were drawn from the banks and trust companies to stay the slump. Under the influence of all this industry and clamor the market began to boil again; prices recovered, and the people, confused and bewildered, were once more about to be entrapped. A sharp advance was followed by a cry from the votaries that I was a trickster and that what had been in reality the most notable demonstration of "the people's strength" ever given was only another evidence of the "System's" infallibility. If this deceit had prevailed, the task I have undertaken of enlightening the public would have had a setback. Relying on my previous work, I put forth the following announcement Monday morning, December 12th, and confidently awaited results:

INVESTORS AND SPECULATORS—WARNING!

For six months through my story, "Frenzied Finance," in *Everybody's Magazine*, I have been educating the people to the terrible condition existing to-day in America—the people are plundered of their savings by a few men through

Frenzied Finance

the working of the "System."

After a close study for six months I concluded that the people were awakening to the truth.

I decided to make a test.

I advertised certain truths. That was all.

For three days Wall Street and the "System" were panic-stricken—paper values melted to the extent of hundreds of millions.

The laws of the land are strict about panic-breeding by public statements.

If any of the terrible statements I have made had been false, I should to-day be in prison or my body suspended from a lamp-post. I could not possibly have escaped.

What I have stated is truth. No one dares gainsay it.

Wall Street and the "System" for the first time were compelled to come to the rescue and put in jeopardy their own money by buying stocks from the people at inflated prices.

For the first time a break came while the manufacturers of stock still held them.

The people sold them.

To-day every scheme known to frenzied financiering is being worked to make the world believe last week's panic was the result of stock speculators, bears, "Standard Oil," and the "System."

Throughout this country and Europe is being spread the story that I was in league with "Standard Oil" and the "System," that they had sold out their stocks and got me to raid the market to shake out the public.

That another great rise is coming.

* * * * *

This is clever, smart, the only thing possible under the circumstances.

But it is a lie.

I ask the people to watch the desperate efforts that are being made to get this lie to pass for a truth.

The "System" must unload on the public, but above all else the "System" must convince the people that the awful destruction of last week could not have been brought about merely by the people's own doings.

If the people are not so convinced they will know their power, and that they have in their own hands, to use at any time, a weapon which can stand the "System" on its head.

There is no reason why the people cannot reverse the old process and always sell at the top to the frenzied financiers and buy from them at the bottom.

* * * * *

This is my warning:

I ask the people and Wall Street and the "System" to give it weight or their loss will be on their own heads.

I am going to strike again, suddenly, sharply,

Frenzied Finance

sensationally, and in a way that will produce effects upon prices and upon markets, so much more destructive, that the effects and the destruction of last week will appear by comparison as milk to vitriol.

Every owner of an active stock in which the “System” has any interest owes it to himself to weigh my warning.

The result must be terrible for Wall Street and the “System,” and nothing can avert it.

It matters not how much preparation is made, as it will come in a way not possible to guard against.

I want all to know now, so they will not blame me when the slaughter is on.

My first and only warning will come in the form of a public notice that certain named stocks should be sold the day my advertisement appears.

Three days afterward I will publish why, but with the why it will be too late for holders of stock to save themselves.

I now say to all, if you decide after reading this that I am only talking, well and good, but when it is too late, remember what I did say.

While waiting for me to speak, again think it over.

* * * * *

When “Frenzied Finance” first appeared, only six months ago, the wise heads of the “System” said:

“The public will tire of it in sixty days.”

At the end of six months the people, the press, and the pulpit are lashing themselves into a fury over its revelations, and it is impossible to print magazines enough to meet the demand.

When I first touched on the life–insurance companies they laughed.

To–day policy–holders are panic–stricken, and the big companies are falling behind millions a week.

When I said my story would affect Wall Street, Wall Street laughed; last week it yelled, cursed, and begged.

And I am only in the mild, preliminary stages yet.

While waiting for the next move, make no mistake.

When real work begins Wall Street and the “System” will look like a last year's straw hat in the swirls of Niagara.

AMALGAMATED

Last Tuesday morning I publicly said:

“The men who control Amalgamated told me it is not worth half the price it was floated at. If they told the truth it will go back to 33. If they have lied they will smash it back to 33 as they did before. Sell it.”

All that day (Tuesday) holders could have sold at an average of 79.

Holders of over 200,000 shares did.

The following day all holders could have sold at an average of 74—300,000 did.

The third day all holders could have sold at an average of

Frenzied Finance

66—200,000 did.

Then the Wall Street powers got desperate and stopped the decline.

During these days I did not sell a share nor do anything in the market to assist the decline, but did buy enormous amounts to prevent it from breaking below 60.

Every scheme known to frenzied financiers is being worked to make it appear now that this stock is going to sell much higher.

It is advertised broadcast that I was working with the bear raiders and “Standard Oil.”

This is a lie.

My brokers were requested by another client to publish a statement that a prominent copper company president stated there was \$33 in the Amalgamated treasury.

Instantly the rumors were sent broadcast that I had settled with “Standard Oil” and was bulling the stock.

This, too.

I know the man who made the statement and the high officer of the Amalgamated who got him to make it.

And it shows the desperate position of the Amalgamated “Insiders.”

They are loaded with the stock.

I dare any officer of the Amalgamated Company to publish the above statement over his signature.

If he does court proceedings will be begun at once.

I also dare Mr. Rogers or Mr. Rockefeller to deny the statement made by me that they have said the stock is not worth 50, and that Marcus Daly deceived them. I dare them.

I repeat what I have said to holders of Amalgamated:

Sell your stock now, before it is too late.

Bear in mind when Amalgamated sells at 33 that I have warned you.

And in the meantime watch for sharp breaks in Amalgamated. I will give no further warning on this stock, and under no circumstances will change my now advertised position on it.

Thomas W. Lawson.

BOSTON, December 12, 1904.

The second test brought a stronger demonstration than the first. This time the “System's” votaries were drawn up in solid phalanx; behind them uncounted millions and unmeasured power braced to meet attack. All day Monday the people hurled their securities at the gamesters, and with every onslaught prices crumbled until, when the Stock Exchange closed, the “System's” losses were represented by hundreds of millions of dollars. The people had learned a lesson, and a hundred years more of the “System's” trickery and falsehood will not efface its impression.

VILIFICATION NO REPLY TO FACTS

The attacks I made on the “System” were frank and direct statements of facts. The destruction they wrought upon the cherished plans of the gamesters was due to their truth. If the things I stated about Amalgamated were not true, how easy to prove them false, and how completely then should I have been discredited. But what has the “System” in its blind rage done? Well may the American people who read what is printed below say to themselves, “Whom the gods would slay, they first make mad.” What is Thomas W. Lawson in this transaction that his personality need enter into a controversy wherein the issue is of facts

Frenzied Finance

alone?" Suppose I were all that my enemies say of me, the question is not of my guilt, but of the truth of my charges. I was not surprised to read on the morning of Tuesday, the 13th of December, the diatribe printed below. It was published in the leading papers of the country in the form of an advertisement, in great type covering half a page.

THOMAS W. LAWSON—READ THIS PICTURE

NEW YORK, December 12, 1904.

THOMAS W. LAWSON, Boston, Mass.

For six months I have read with close attention your story of "Frenzied Finance," in *Everybody's Magazine*, and have paid close attention to the manner in which, by pandering to the worst prejudices of the American people, you have endeavored by misstatement of facts to distort the conditions actually existing through what you call the workings of the "System."

What is the conclusion to be deducted from your own statements? What is the "System" to which you have so often referred?

From the standpoint of honest, unprejudiced men no other conclusion can be derived but from your own statements you have endeavored personally and through subornation of others to debauch legislation, to distort facts, to create in the minds of investors a lack of confidence in men whom the public for many years have looked up to as the leaders in the industrial world.

By every foul vilification and every statement which distorted imagination is capable of producing, you have endeavored to show that the so-called leaders of finance of the United States are in league to rob and defraud the investing public.

Taking all your statements and analyzing them, what do they amount to? That certain men, amongst whom you yourself was one of the leaders, have bought out certain corporations which were capitalized at a price which you state was far above their cost.

Not one single new fact has been brought to the attention of the public. If men, by their brains, their capital, and their energy, acquire properties that have not been appreciated by the public, put them forth under whatsoever name, so that the statements made in connection with those properties are true, and capable of verification, what is it but a business proposition that cannot be criticised?

What is the "System" which you denounce as the very personification of evil? Is it not the "System" of which you have been the leading advocate, votary, and exponent for many years? Is not the "System," when analyzed and reduced to its root, a stock-brokerage of which you are and have been for many years one of the shining lights; not the system of honest, legitimate brokerage, but the system of endeavoring by false statements and by exciting the fears of the multitude to depress and destroy values in order that its votaries may reap their ill-gotten gains?

Frenzied Finance

Is there one thing in connection with all that you have written in your articles on "Frenzied Finance" in which you have not been from start to finish one of the prime movers? Who is the man that, from the inception of the enterprise which you most severely criticise, has been most prominently before the public? Who is the man that, from your own words, originated the idea and carried it to its completion? Is it not Thomas W. Lawson? Who is the man that, in the various schemes which you hold up to the condemnation of the public, has taken from start to finish the leading part? Is it not Thomas W. Lawson?

Is there one honest man in the United States who to-night believes that, in spending the thousands and thousands of dollars that you have spent in advocating your views and in posing as the friend of the people, that you have not acted for your own selfish ends? Do you believe that there is one man in all this wide world to-day who honestly believes one single statement that you have made, or who believes that you have ever turned your hand to, or aided in the slightest degree in, any honest enterprise? You criticise the copper corporations who have placed their stock before the public as a legitimate investment. Can you point to one single instance in which a misrepresentation of fact or figure has ever been made in anything connected with the Amalgamated Company?

Who are you, who should say in relation to a copper mine whether it is good or bad? Did you ever see a copper mine? Did you ever put a pick into ore? Did you ever reduce one ton of metal so that it would yield up its wealth for the benefit of mankind. Have you ever done anything excepting to act as a parasite upon honest labor and, by chicanery and by misrepresentation, endeavor to rob the people of their hard earnings? I speak to you plainly, knowing you yourself for what you are. Can you show one man that can point to any honest industry in which you ever took part; to one single act of yourself that ever contributed to the welfare or the advancement of the working people? Can you point to one single act in your career that was ever based on any other motive than absolute egotism and selfishness; to one single utterance, act, word, or deed of yourself that was not based on selfishness and a desire to rob or misrepresent or, in some other manner, attach the earnings of the people to your coffers without effort on your part?

I address this communication to you knowing you for what you are; as a man who, throughout his many years of active life on the Stock Exchange, came to be generally considered as the synonym of chicanery and of misrepresentation. To-day, through your perversion of truth and partial misstatement of fact, which, through many years in pursuance of your calling, you have become an adept in, you can destroy the confidence of the people who make the money and the wealth

Frenzied Finance

of the country. Do you for one moment suppose that there is one honest person in this country to-day who believes that you are actuated by a sincere desire to aid them?

Do you not know that your only motive is, by destroying confidence, to endeavor to make a large profit for yourself, by the methods which you have pursued of advertising to the public? The men who do things, the men who created wealth, the men who are known throughout the world for integrity and for their business qualifications, will unanimously say that your motive is selfish from start to finish.

Do you remember the dealings that you had with me, how they were based on falsehood and misrepresentation from start to finish? How, by the use of names that are well known in the financial and business world, you endeavored to rob and convert to your own use what you thought was one of the greatest properties in the world? What has been the result of your advertisements of the last few days? Has it not been to destroy confidence, to create a panic among people who had invested their earnings in what they have considered as legitimate propositions? Have you ever paused and thought for one moment about what the results of your selfish and distorted statements might be?

In your articles you have spoken of the loss that has been entailed upon widows and orphans, of disgrace and suicide and other ills that have come through what you are pleased to call the workings of the "System," the "System" of which you have been and are to-day the exponent, the system of misrepresentation and of spreading false statements; in other words, of stealing Heaven's livery to serve the devil in. Millions of dollars of legitimate investments have been lost to the people who have made them. Why? Because you, in your selfish egotism, have looked to nothing but your personal gain, thinking nothing, caring less for the woe that you might work to thousands, pandering to the worst prejudices, and by means of such words as "Standard Oil," "Amalgamated," "Frenzied Finance," etc., and making statements which investors have not the means or the time to dispute, you have endeavored to destroy values that have been created by the works of a lifetime.

To-morrow, in Boston, I shall call upon you. I for many years have stood as a worker, as a man who has built up and who has created, and I know that the savings of a lifetime of many honest investors have been swept away by the falsehoods that you have spread abroad through the public press.

To-morrow, at your office, I shall denounce you for what you are. The Master long ago said: "By your works ye shall be judged."

Personally I shall call upon you for your answer to-morrow.

W. C. GREENE.

This is the rejoinder of the "System." No denial of my facts. No defence against my charges, but a volley

Frenzied Finance

of mud and a threat of assassination. I had dared tell the people how they had been robbed.

All remember the panic of 1901, the famous Northern Pacific corner, in which values shrank hundreds of millions in a few hours and tens of thousands of the people lost their entire savings. Who precipitated that terrific slaughter? Certain great railroad magnates and bankers were at each other's throats; two greedy corporations had quarrelled ferociously over the control of a railway line. No man in all our broad land dared to hint at the assassination of a Morgan or a Perkins or a Harriman or any of the "Standard Oil" votaries who were parties to the bitter contest that left Wall Street strewn with the mangled and bleeding carcasses of the ruined and bankrupt. That time, however, the "System" had both money and stocks—the people had lost both.

I am not going to enter into a defence of myself against Colonel Greene's charges. In the newspapers of the country that matter was fully ventilated at the time. I simply republish his vituperation to show how the "System" sets about silencing those who dare protest against its villainous methods. In the first six months of the publication of my story the sole defence the "System" entered against my specific and terrible charges of plunder and debauching of the people was to attack me personally. It inaugurated a war of mud-slinging and vilification directed by the *New York Commercial*, Henry H. Rogers's own paper, which printed the ridiculous statement that I was crazy. This editorial made splendid ammunition for the big insurance corporations, which caused it to be distributed among their policy-holders, and for the yelping pack of insurance papers which may be depended on to bark, and bite the legs of any one who dares attack their master, the "System's," most profitable institutions. I find I have not space here to reproduce these several mud broadsides, which really are more valuable as evidence of the doddering imbecility and fatuous weakness of the so-called great men of finance than interesting or informative. Since my personality is the issue, I propose to give my readers some testimony of a different character, gathered by experts[22] in the heat of battle.

THOMAS W. LAWSON AT CLOSE RANGE
AN INTIMATE TALK WITH THE FINANCIER AND FIGHTER
BY ARTHUR McEWEN

From the *New York American*, November 27, 1904.

Thomas W. Lawson of Boston, who is making it so interesting for Standard Oil financiers and other able gentlemen that add your money to their corpulent millions while you wait, is himself an interesting man and a very puzzling one to a great many people.

One day last week I spent several hours with him at his rooms in Young's Hotel, and it surely was a stimulating and enjoyable time. Everybody now knows how exceedingly well Mr. Lawson can write, and he talks as he writes—boldly, vividly, audaciously. He thinks out loud, pouring forth a flood of speech, breaking off in the middle of sentences, going into long parentheses, touching on a dozen incidental things by way of illustration as he goes, but always coming back to the main point. He may confuse you, but he does not confuse himself. And notwithstanding the rapidity of his utterance and his copiousness he is not carried away into saying what he would rather not have said.

He is handsome—tall, broad-shouldered, strong, well-knit, and graceful—still almost youthful physically, despite his forty-five years and the beginning of grayness in the dark, wavy hair which covers his large, finely arched, and well-proportioned head. His forehead is high and broad, his gray eyes deep set under brows that come together and give intentness and fierceness to his gaze when he is aroused.

And when Lawson is aroused you see a fighter with all his

Frenzied Finance

wits about him and of utter fearlessness. He would have made a first-class soldier, with his quickness and dash and the pluck that was born in him, and has not to be summoned by thinking and resolving.

THE BOSTON VIEW OF LAWSON

The Boston view of Lawson is illuminating. They are afraid of him on State Street. He thinks so rapidly and does things with such instant decision that he bewilders the conventional plodders. They admit that he is brilliant, that he has a genius for gathering in the dollars, but he shocks the financial Mrs. Grundy. They tell you that he is “irregular,” “sensational,” “bizarre,” and the rest of it—all of which means simply that he is a man of original mind, who follows his own methods, succeeds with them, and doesn't care a snap of his fingers about being out of the fashion.

He has a hundred ideas and impulses where the “safe and steady-going” business man has one—and as the safe and steady-going State-Streeter doesn't understand the ninety-nine Lawson ideas and impulses which do not come to him, he charges them up to “eccentricity” and “charlatanism.”

Boston says Lawson is vain. He certainly does hold a good opinion of himself, and he has a right to. A boy who goes into a bank at twelve as he did and before he is seventeen cleans up \$60,000 is hardly to be rebuked for considering that he is better fitted for the financial game than most. He knows life, he knows men. He has made and lost fortunes and is not afraid of being “broke.”

That experience has been his repeatedly, but always he rose again. His brains, energy, and daring would cause him to rise anywhere. Had he been given birth in a South American republic, the dictatorship would have been his inevitably.

Lawson was born a money-maker, but he is a great deal more than that. He is a many-sided man, interested ardently in lots of things to which the ordinary money-maker is oblivious. He is very, very human. He has a soul.

Although he is raining blows on important men, who are not accustomed to being treated with disrespect—although he is charging them with crimes, and hopes, I should say, to drive them out of the country or into the penitentiary, he speaks of some of them with the greatest kindness, thoroughly understanding their good personal qualities.

THE WONDERFUL ROGERS

He denounces H. H. Rogers, for example, as a robber, a criminal, and he said to me:

“Rogers is a marvellously able man and one of the best fellows living. If you knew him only on the social side, and knew him for years, you couldn't help loving him. He is considerate, kindly, generous, helpful, and everything a man should be to his friends. But when it comes to business—his

kind of business—when he turns away from his better self and goes aboard his pirate brig and hoists the *Jolly Rover*, God help you! And, then, as a buccaneer you have to admire him, for he is a master among pirates, and you have to salute him, even when he has the point of his cutlass at the small of your back and you're walking the plank at his order. Rogers is wonderful. He is one of the most prolific human creatures I have ever met; prolific in thought, in devices—and I've been at the game a long time now and ought to know.

“Don't think me egotistical, but I can't help looking under the surface and going to the bottom of things. So I learn more about men in Wall Street and what they are at than most. This is my thirty-fourth year of sixteen and seventeen hours a day and three hundred and sixty-five days in the year, and I have seen them all come and go. I *am* with the third generation of my time now. In such matters I feel somehow that I'm about three hundred years old.

“Men like Rogers are all very good fellows. They are genial and tolerant in their judgment of others. Yes, they are mighty good fellows, until you turn them around and look at their other side. Rogers is lovable enough until he touches the other button. Then he goes with perfect ruthlessness for what he wants. And yet, though you are his victim, you can't bring yourself to hate him. After he has thrown you down and taken all you have and you turn yourself over and find the dark lantern has disappeared, and you hear him going up the lane, you pick yourself out of the gutter and admire the skill with which he did the job. If you could stand it, you would almost whistle to have him come back and do it over.”

“It is easy to see,” I said, “by what you write of Mr. Rogers in your magazine story, that you were fond of him and gave him the highest rank for ability, but just the same you said you had to go on the stand in the gas suit and swear exactly opposite to his testimony. Do you charge him flatly with perjury?”

“I have put it fifty times in black and white,” answered Mr. Lawson, “that he committed perjury. There isn't any question about it. I produced my secretary's minutes, delivered over the telephone, received by his secretary and afterward confirmed. He confirmed the message to me, called me up and talked it over and did business on that agreement. Two men, Rogers and myself, followed each other on the stand and made diametrically opposite statements; and neither one of them reserved himself in stating that it was knowledge at first hand. Therefore there was perjury.”

LEGISLATIVE CORRUPTION

“Mr. Lawson, the whole country is familiar enough with legislative corruption, so there's nothing new in your charge that the Legislature of Massachusetts was bought up. But what will attract national notice is the definiteness of

your accusation. You charge H.M. Whitney, brother of the late W. C. Whitney, and one of the foremost business men of your State, with having done the corrupting in order to get through a complete charter for a gas company. Now, when you pillory a person of Whitney's standing and prominence, as you have done, he has got to do one of two things—either force you to come to the front and compel you to prove the truth of what you say or stand before the public morally convicted.”

“That's right,” agreed Lawson heartily.

“Do you stand ready to prove your charge if he challenges you to do it?”

“What else can I do? Of course I can prove it. I'm sorry for Whitney. He is a good fellow on his personal side, like Rogers, but truth is truth.”

“However used we may have become to buying Legislatures, however commonplace it may be, still, when a financially responsible man like yourself gives concrete instance, and is prepared with proofs, the fact is horribly startling to everybody that cares for his country. What is to be the end of this sort of thing—the purchase of the people's representatives by the criminal rich?”

“Well, you can ask me a question even broader than that. What is going to be the end, not only of such things as I have stated in regard to the corruption of the Legislature of Massachusetts—and we all admit that the same thing is being done in other States—what is going to be the outcome of this rottenness in connection with the practices in Wall Street that I am telling about in my magazine narrative in 'Frenzied Finance'? To answer would be to disclose my remedy—the climax to my whole story. At present I can only say that I make no charges loosely, on insufficient evidence. I state only what I know. I have seen the iniquities worked out. I know that these crimes are being committed every day; that these great financial schemes are carried through, not only by the commission of moral crimes, but legal crimes—crimes for which those participating in them can be held responsible if they are gone after in the right way, and I am going to show the right way.

THE REMEDY

“I believe that I have a remedy. That, of course, is a tremendous thing to say. I have spent my life on it. I have been waiting for the opportunity.”

“I may not ask you what your remedy is?”

“No, I shall propose that myself when I have laid all my facts about these crimes before the people. I am going to tell them about some startling crimes. All that I have told so far, including the systematic corruption of the Massachusetts Legislature, relates to the past. That is, the deeds are dead, so to speak. But the crimes of Amalgamated, though in one sense they are now past, are yet connected

with the present, because Amalgamated is alive. The man who was robbed in 1899, in 1900, and 1901 has his claim unsettled. That man is alive and Amalgamated is a big, living corporation. When I get to that I shall be talking in the present and something is going to be done.

“I have the remedy for the whole thing. You will appreciate the largeness of that statement, but I have thought and advised and worked it out. My remedy is based on common sense.”

“Does it aim at any real change in our political system? Is it socialistic?”

“Oh, no; it doesn't mean a turning over in politics. You and I know that the dollar is what is running things in this country to-day, and if you come along with an ideal proposition—a proposition that carries with it a change in our laws or a proposition to have some new laws passed—you might as well say good-bye to it, because the fellow whose hundred millions you want to take away is going to say: 'How many dollars does it need to turn that upside down?' and he is going to supply the dollars.”

LAWSON'S VERSATILITY

Mr. Lawson gave me nearly three hours of his time, and during those three hours he was interrupted every five minutes or so by telephone calls. He conducted his business right along, ordering the selling and buying of stocks, making or declining appointments, talking with his publishers, his lawyers, his family, his friends. It would have goaded almost any man into excitement and irritability, but it was all in a day's work with Lawson. Yet he is not phlegmatic; indeed, he is extraordinarily animated. But it is animation with composure. In a business way there is not a busier man in the country, but he finds leisure for other interests—books, pictures, bronzes, horses. He has a beautiful country home, where he goes daily by special train, and then puts up the bars against business, bores, and all intruders.

In his talk with me he ran a remarkable gamut. He spoke of business like the shrewdest and readiest of practical men. Then in the midst of some story of stock-market guile, such as he is exposing in *Everybody's Magazine*, his face, voice, and hands conveyed amusement, anger, disgust. With his good looks and gift of expression he would have made his way to the top of the stage. I do not know if he has done any public speaking. But when he got into the full tide of denunciation of the crimes of Amalgamated I regretted that he was not addressing a great audience, for it was real oratory—strong talk, ardent, electric, manly. His eyes flashed, his teeth came together with a snap and he shook both fists under my nose. He has enthusiasm, capacity for righteous wrath, and the spirit of battle. But he doesn't lose poise for a moment.

HIS CONFIDENCE IN HIMSELF

Cheerfulness, gay confidence in his own powers, is his predominant trait.

“You are firing hot shot into these people,” I said. “They have endless money, and you are in the stock–market, taking chances every day. Aren't you afraid they will dig pits for you?”

“Well, what can they do to any of us in this world except to send us to the poor–house or the grave? I don't fear them. I know them and all about them. You must remember this is not a new occupation with me. For twenty–five years or more I have been in the habit of picking up a brick without looking to see how many corners it had or whether it was round or square and hitting the first head I thought I had a good reason to hit. I have been doing these things regardless of how they liked it. It's upward of a quarter of a century since I had my first wrestle with a corporation in the newspapers. I have tried not to be a common scold and avoided being vicious when I could. I have only attacked when I thought some fellow had done me a deliberate wrong. And when I have felt that way I have started after him. Then it has been vicious, hard fighting, you know; vicious, but not malicious.

“With the 'Standard Oil' crowd I have this big advantage—I am only one man, a small target, and it needs a mighty good aim to hit me, whereas they present a large surface and I have only to heave a brick in any direction to break a window. The contest is unequal. Everything favors me. My ammunition is the truth.”

There is cheerful courage for you—more particularly in the case of a man who proclaims from the housetop that there is no limit to the villainy of his adversaries.

“Mr. Lawson,” I said, “there are few who would care to be in your shoes—a rich man waging a war of this sort. The chances are altogether in favor of their smashing you financially.”

“Let them, if they can. There are worse things in this life than being smashed financially.”

Mr. Lawson's smile was sunny and confident. He is fearless.

* * * * *

LAWSON, THE MAN

BY JAMES CREELMAN

From the *New York World*, December 12, 1904.

BOSTON, December 10th.

All through the critical business hours of Friday, when Thomas W. Lawson, master spirit in the present extraordinary war against Standard Oil finance in Wall Street, was reported to be locked up with H. H. Rogers, generalissimo of Standard Oil, perfecting the details of a settlement for \$6,000,000—all through that anxious time, when the stock–tickers and newspapers of the country were trying to

Frenzied Finance

guess the meaning of Mr. Lawson's sudden silence and inaccessibility, he was standing in his quiet room in Young's Hotel, explaining the situation to the public through the *World*.

Although I sat in the room with him almost from the time that the stock-market opened until long after it closed, not once did Mr. Lawson show the slightest sign of excitement over market affairs. Strong as an ox, clear-eyed, tranquil, smiling, the man who had moved the financial market downward against the will of the greatest combination of capital the world has ever seen, bore himself like one absolutely confident of success. The bunch of blue corn-flowers in his button-hole was not fresher than he, although on the previous day he had fought through one of the greatest battles in the history of speculation, had made an hour-and-a-half speech at a night banquet, had gone to bed after midnight, and risen before five in the morning.

In that one day he had forced nearly 3,000,000 shares of stock into the market in New York.

"My one instrument is publicity," he said. "It is the most powerful weapon in the world. With it I have been able to strike with some of the power which eighty millions of Americans possess when they are wide-awake and in earnest.

"This week's work is only the beginning of a demonstration that the secrecy of the frenzied finance system—under the cover of which the savings of the people gathered into banks, trust institutions, and insurance companies, have been used by the Standard Oil crowd to rob the people through the stock-market—cannot succeed against publicity. The people only need light to save themselves.

"At the beginning of the week I advised the people of the United States to sell Amalgamated Copper and the other pool stocks. It was the first step in the final realization of plans I had been maturing for ten years. Since then, against the whole force of the billions and billions commanded by the Standard Oil system, Amalgamated has dropped from 82 into the 60's. I give the people my word, which I have never yet broken, that not once in that time have I sold a share of Amalgamated stock. Not only that, but I have actually bought large blocks of Amalgamated in order to steady the market and prevent too great and too sudden a panic, so that my friends everywhere might be able to get out without complete ruin. But for that I believe we would have had a panic greater than the Northern Pacific crash.

"I simply went out into the public square and told the people the truth. I was in a position to tell the truth. I knew the methods by which they had been robbed. I knew that ruin was staring them in the face unless they acted quickly.

SPENT \$92,000 ADVERTISING

"I advertised the fact over my signature in the newspapers of New York, Boston, Chicago, Los Angeles. I cabled the

advertisement to London. All this cost, with incidental expenses, something like \$92,000.

“The frightened leaders and agents of the 'System' spread reports that I was in league with the leading plungers and manipulators of Wall Street, that I was making a mere stock raid, that I was trying to 'shake down' Mr. Rogers. The truth is that I have no partners. Not a soul knew my plans until my first advertisement appeared. I have no price, for there can be no peace now until the whole rotten scheme of frenzied finance is smashed and things are brought back to their natural honest level. I am in deadly earnest. No man knows better than I do how great a service I am rendering to the American people.”

Mr. Lawson stood squarely upon his heels, the incarnation of strength and courage. The square head, high and wide at the top, the long line of the jaw and broad, fighting chin, big, blue-gray eyes, the big, flat teeth, the strong nose, large firm mouth, sinewy neck, hairy hands, broad, deep chest, powerfully curved thighs, and the steady voice—these were eloquent of strength, determination, and concentration.

There was a black pearl in his cravat and an almost priceless canary-colored diamond sparkling on his little finger. He wore gray, striped trousers and a black coat and vest, across which was a beaded gold watch-chain. Everywhere in his room were flowers, roses, lilies, and bunches of the famous Lawson Pink, the flower for which he once paid \$30,000.

The man whom I had expected to find haggard, pale, wild-eyed, and excited, in the centre of a nervous hurricane, was rosy-cheeked, cheerful, and apparently as free from care as though he had never heard of Wall Street. He spoke rapidly but in an even voice, occasionally pacing the floor and sometimes gesturing or setting his hands firmly on his hips. He answered questions promptly and with an almost boyish appearance of frankness. It would be hard to imagine a more masculine, compact, and concentrated personality.

This is the man who left school in Cambridge at the age of twelve, walked into Boston with his books under his arm, and secured a three-dollar-a-week position as an office-boy almost on the very spot where, after thirty-six years, he has worked himself up into a position from which he feels able to captain the fight against Standard Oil and its allies. He owns a palace in Boston filled with works of art; he has a six-hundred acre farm on Cape Cod, with seven miles of fences, three hundred horses, each one of whom he can call by name; a hundred and fifty dogs, and a building for training his animals larger than Madison Square Garden. Some of his horses are worth many thousands of dollars apiece. Even the experts of the German Government who examined Dreamwold the other day were amazed at its costliness and

Frenzied Finance

perfection. Within forty–eight hours Mr. Lawson wrote and published a large illustrated book analyzing his farm and gave it to his German visitors as a souvenir, after organizing for them a horse show that overwhelmed them with surprise.

He built the yacht *Independence* at a cost of \$200,000, and when it was shut out from the America's Cup race smilingly threw it on the scrap heap. He established a great racing stable, and when tired of playing with it, broke it up. He went to Kentucky, and the day before a great trotting race bought Boralma for \$17,000. His pride was aroused by the fact that the betting was against his trotter. He gave \$104,000 to a friend to sustain Boralma's reputation in the betting and won \$92,000. And yet he claims that he has never been seriously interested in betting, and that his winnings on Boralma were simply an accident.

THAT \$30,000 PINK

But it was the purchase of a pink carnation, wonderful in color and vigor, which had been named by a Boston experimental florist after Mrs. Lawson, that made Mr. Lawson's name known all over the world. Thirty thousand dollars for a pink! The news was spread broadcast, and printed in the newspapers of all countries as an illustration of the vulgar extravagance and folly of an American millionaire.

Mr. Lawson explained that incident while I was with him, and his explanation threw a new light upon his character. He bought the flower originally as a matter of sentiment, but the sum he offered was comparatively small. Mr. Higginbotham, of Chicago, bid \$25,000 for the Lawson Pink. When he heard this news, Mr. Lawson sat down with a florist friend and figured out the possibility of the new flower as a business investment. He closed the matter in a few minutes by paying \$30,000. Some time later on the florist bought back the right to the Lawson pink for \$30,000, and gave Mr. Lawson, in addition, \$15,000 profit, according to agreement.

A curious evidence of this man's astonishing coolness is the fact that, at the very time when the market was closing on Friday, when it was whispered all over the country that he was arranging terms of peace for the Standard Oil with Mr. Rogers, Mr. Lawson was actually explaining the peculiar and beautiful qualities of his favorite flower.

A REASON FOR HIS LAST ATTACK

“But if Amalgamated Copper shares were worth \$100 when you were market manager for Mr. Rogers and his friends, how is it that they are not worth that price now?” I asked.

Mr. Lawson leaned against the edge of an open door and thrust his hands deeply into his pockets.

“I have tried to make that plain to the public,” he said quietly.

“The other day Mr. Rogers's lawyer was trying to get me to

stop. I told him that I intended to force the Standard Oil crowd to put the price of Amalgamated Copper back to \$100, at which I advised my friends to buy it. He said that the stock was not worth \$100. I asked him how he knew. He answered that Mr. Rogers, Mr. Stillman, Mr. Rockefeller, and the other fellows in control had discovered that they had been deceived when the property was bought. They did not consider it worth more than \$45 a share.

“That settled it in my mind. I appealed to the public to test the situation. I advised them to sell Amalgamated at once and keep on selling. If it was worth \$100, the men in the 'System,' having billions of dollars behind them, would buy it. If it was worth only \$45 a share, then the price must fall to that point in the end. It was simply a question whether the public could unload on the Standard Oil crowd before the 'System' could unload on the public.”

“Then you caught the leaders of Standard Oil at the psychological moment.”

Mr. Lawson's smile was beyond words to describe.

“That partly explains the crash,” he said. “They were ready to unload on the public, but the public moved too quickly. Publicity destroyed the one great weapon of the Standard Oil men, which is secrecy. I had been tricked and deceived, and those who were responsible had used my name to deceive and trick the public. I got out into the open and laid the plot bare. I had been working up to that point for many years, always waiting, waiting, waiting for the day when I could begin a work of reformation in behalf of 80,000,000 of people.

“I know my game. I have stood here in Boston for thirty–six years studying man and his ways. I have no false conceptions of my own strength. I know, and I have known all along, that to win against a system backed by billions of dollars working in the dark and controlling largely the law–making powers of the nation, I must have the people with me. My articles in *Everybody's Magazine* were simply in preparation of the public mind for the practical demonstration which I have made this week, that the whispering manipulators of Wall Street will not buy at \$68 a share stock which they were selling to the public at \$100 a share.

“The Standard Oil interests came into my world simply because they entered Boston to control gas affairs. They wanted to run their automobile down a particular road, but they found a fellow standing in the middle of the road. They did not dare to run over that fellow, as little as he was, because he warned them that he had in his pocket a stick of dynamite that would blow the machine up if it passed over him. Mr. Rogers is a really big and brainy man. He saw and understood the situation. He offered to take me inside of his secret lines.

Frenzied Finance

HIS INDEPENDENCE

“It is said by my enemies, and they are many—and some of them are crackajacks, I admit—that I am a squealer, that I have peached on my pals. That is absolutely untrue. From my boyhood up I have always insisted on being free and independent. I have punched a head when I thought it needed punching, without asking whose it was or what the consequences would be. But I have never consciously told a lie or violated a confidence. The newspaper files will show that when I made my deal with the Standard Oil people, I publicly announced that I had entered into a secret agreement with them. That brought a hurried call from Mr. Rogers, who wanted to know what I meant. I told him, as I had told him before, that I had to work in my own way, that my methods were open and above board, and that I could not work successfully unless I was free to do things as I thought they should be done.

“That was my arrangement with Standard Oil. They had a great chest, and the whole method of the 'System' was to prevent any one from getting a peep at that chest save as one of them and on their own terms. I refused to be bound by their code. I told Mr. Rogers again and again that everything I learned as the market manager of the Standard Oil interests I felt free to use publicly at any time. Mr. Rogers again and again assured me that this was fully understood.

THE REMEDY

“All through that time I had, deep down in my heart, the plan which I am carrying out now. Each day brought me nearer to the day when I would expose the whole system of fraud to the public. Having that idea always present with me, I was careful to avoid deals or partnerships which involved any loss of independence to act when the day for action came. I have been worth as much as \$28,000,000, and I have lost as much as \$14,000,000. But never have I altered my purpose to awaken the public to a realization of the great crimes committed against them in the name of finance.

“If the people will stand by me, and I have always been open and honest with them, America will witness a great transformation. With an honest and courageous President in the White House we shall see whether the 'System' will be able to use the fiduciary institutions of the country for piratical purposes. The fall in the price of Amalgamated and other pool stocks is only a bubble on the surface. The final revelation, and the final solution, are yet to come into sight.”

Just then the telephone bell rang and Mr. Lawson put the receiver to his ear and laughed as he listened. “No,” he answered softly, through the instrument, “I am not locked up with Mr. Rogers, but with a man who has more power.”

Then he turned to me, rocking back strongly on his heels and clasping his hands behind his square head.

Frenzied Finance

“I meant that,” he said; “there is more power in the pen of one honest writer in the service of an honest, fearless newspaper than in all the wealth and cunning of the ‘System.’”

THE MUNROE & MUNROE EPISODE

There came a time in the first twelve months of my “Frenzied Finance” crusade when people rather took the attitude that I was exaggerating conditions and that neither Wall Street nor the “System” was so bad as I had depicted them. About this time, following the so-called Lawson panic, occurred the Munroe & Munroe *esclandre*, the details of which plainly showed eminent financiers in the vulgar business of stock-washing. I frankly treated the subject in *Everybody's*, and as it is part of the history of the movement, I reproduce the passage:

The average man is prone to lose sight of perfidy in magnitude and to say, when he hears all the facts: “At least these rascals hunt big game.” I wish to say here that such distinction is undeserved. The “System” is omnivorous. Its insatiable maw yawns as greedily for the ten-cent pieces of the people as for the thousands of the larger investor. It is as avid and relentless in devising ant-traps as elephant-snares. There fell into my hands recently certain valuable documents in the meanest of contemporary swindles, which reveal the connection of the National City Bank, certain of its officers and other important financial interests, with a plot to fleece the fag ends of the public. The details of the Munroe & Munroe–Montreal & Boston conspiracy have been widely published, and the world is well acquainted now with the two Munroes, graduates of a “gents’ furnishing-goods” shop in Montreal, introduced into high finance in New York, organizing with the assistance of the great Rockefeller–Stillman–Rogers bank a copper corporation with shares at a par value of five dollars. There never was such barefaced exploitation as was used on behalf of this proposition. It was advertised as a bonanza; investors were guaranteed against loss by an assurance that their stock would double and treble in price, and that the company would stand ready at all times to buy back shares at cost. The intention was plainly to entice into the Montreal & Boston people of very limited means, who could ill afford to lose their savings.

The sudden panic, brought about by the warning to the people of the traps that were being set for them, caught napping many of the “System’s” votaries, large and small, and before they could get their different devices even-keeled from the shock caused by that single blast of truth, the public got a peep ’tween decks into the machinery. Among those whose port-holes were blown wide open was the Munroe & Munroe–City Bank–Montreal & Boston outfit, whose scheme went down like a card-house in the blow. A receiver was at once appointed to take care of the débris. This mishap revealed an amazing condition of affairs. With only \$2,000 capital, Munroe & Munroe had arranged with the great National City Bank to honor their checks for immense sums every day, the proceeds being used to carry on a series of fictitious transactions in Montreal & Boston stock for the purpose of beguiling the public into purchasing it. The affair was a ten-days’ wonder, and was finally squelched by the great bank’s throwing over its vice-president, Archibald G. Loomis, who had bravely shouldered the responsibility for the transaction. At writing, two professional gamblers, who seem to have been the principal victims of the underwriting end of the swindle, are being settled with, and the whole affair will soon be buried from public gaze.

The episode was, on the whole, so foul in its revelation of greed that even Wall Street was horrified—not at the arrant double-dealing exposed, but that the “System” should descend to such vulgar malpractice. The documents now in my possession, which I shall publish later in my story, include the original underwriters’ agreement, which, at great cost of time and money, has so far been kept from the public, and they show some of the greatest bankers in the land deliberately planning, by the use of fraudulent papers and bogus agreements, to beguile investors to adventure their money in a scheme the sole purpose of which was the enrichment of its organizers. The whole performance reveals a depravity so profound and a greed so heartless that the people may well tremble for the safety of their savings intrusted to the custody of men of this type. It also proves my contention that the “System,” while depending on burglary for its largest returns, does not despise the small profits of the pick-pocket.

FOOTNOTES:

[21] Groups of Stock-Exchange members each day appear to buy from other groups great quantities of

Frenzied Finance

shares of different stocks at advancing prices. In reality all the brokers—the ones appearing to buy and those who sell to them—are in league with each other, and none of the transactions is actual. The performance bears the same relation to legitimate Stock–Exchange trading that the purchase and sale of a gold brick among confederates at a circus do to the genuine work of the gamblers and pick–pockets who are really attending to business around them. On certain days in the months I refer to, when the official records of the Stock Exchange told that one and a half million shares had been bought and sold, and prices had advanced until the aggregate increase in the worth of the stocks dealt in amounted to hundreds of millions of dollars, not more than a few thousand shares of real stock changed hands. The rest was barefaced fraud for the purpose of deceiving the millions of investors and speculators throughout the country who are dependent upon the daily press and “market letters” for information in regard to investments for their savings.

[22] Arthur McEwen and James Creelman are among the strongest and ablest of American newspaper writers. Their names are not as familiar to the readers of magazines as some others, but they are, perhaps, the most highly paid men in journalism to–day, and they have a well–earned reputation for independence and personal integrity. Mr. McEwen, who is now one of the editors of the *New York American*, is known throughout the country as a fearless exponent of corporate villainies. Mr. Creelman is a distinguished member of the *New York World's* editorial staff, and has interviewed more of the world's great men than any other journalist living. From their standing in their profession, their well–known hatred of hypocrisies and shams, their wide experience in estimating men of all degrees—the verdict of Mr. Creelman and Mr. McEwen, as set forth in their papers, should be conclusive.

III

EXPLANATIONS

The revelations I delivered to the public in my story of “Frenzied Finance,” together with the accompanying expositions of insurance and other rottenness in the “Critics” department, were not accepted without protest from my correspondents. Though the majority of the letters that came to me in shoals from all parts of the country have been generous in their appreciation of my work, many have seriously taken my methods to task and dubiously questioned my motives. The most salient and satisfactory expression of these doubters was a letter that came to me from a New York banker, to which I replied at length, for it afforded me the opportunity to get before my readers in general many matters about which explanations seemed due them. The letter was as follows:

NEW YORK.

Dear Sir: I have read all that you have written in *Everybody's Magazine*, and have been unusually interested. If you will consult the Amalgamated subscription list you will see my house is down for quite a large amount. For this reason and others, and as an old member of our Stock Exchange, I naturally follow such writings as yours. At the beginning I agreed with most bankers in believing that you were actuated by a desire to get even with Mr. Rogers, Mr. Rockefeller, or Mr. Addicks; but as your tale progressed I thought I perceived a sincere desire to carry out some genuine work of reform in the system of conducting the stock business; then when you began your advertising work last December, I shifted again and felt that your efforts were probably for personal gain.

Since then I have noted your every move with an acute interest, for I became convinced that you were going to work considerable mischief before you got through. Of late you have been so bold—and I believe I voice the opinions of the large majority of men connected with financial affairs when I say *dangerous*—that I cannot resist writing you as I do

herewith.

You advertise through the daily press and in your “Critics” pages that you are doing all in your power to create unrest and fear among the people for the purpose of frightening them into selling their stocks and bonds, and you go further and openly make the most astounding of statements, the most dangerous and vicious—that you will endeavor to have all the people owning deposits in banks, trusts, and insurance companies withdraw them in concert.

I will be frank and state that if I did not know your business career, and had not read your writings, I should dismiss this latter statement of yours by calling on the proper authorities to take cognizance of you as a most dangerous lunatic, but as your business career and your writings show you to be an able financier, a successful business man, an advanced thinker and brilliant writer, I feel that mental derangement cannot be the cause of this remarkable proceeding.

Therefore I challenge you, as one who professes to be an honest man, to answer at once the inclosed list of questions fully and unqualifiedly in your magazine before you make any more extraordinary and, I believe, perilous public requests; and I warn you that if you do not do so, I shall consider it my duty to make public through the press of this country, and in other places where you have been advertising your vicious theories, that you have not dared to make answer. In other words, I shall, after the next issue of *Everybody's Magazine*, if it does not contain your answers, publish broadcast a copy of this letter, and in all fairness and sincerity, I warn you I shall not be deterred from doing this by any excuse you may make that my letter was received too late for the July number of the magazine, or that more important matters take up your space. I have, by diligent research, ascertained that you will have at least forty-eight hours from the time this letter is placed in your hands before the section containing your “Lawson and His Critics” pages is sent to press; or, to be plainer, I can have advertisements inserted in the same section as that containing your “Critics” pages if I hand in my copy forty-eight hours after you will have received my letter.

Therefore you have sufficient time to formulate your answer, and you know as well as I that, in the present excited condition of the public mind, which has been created largely by your public statements, there can be nothing more deserving of space in *Everybody's Magazine* than the answers to my questions. You must realize, sir, that in all sections of the country small holders of stocks are not only selling their holdings, but that small depositors in banks and trust companies are already beginning to withdraw their deposits, that already many small banks have failed because of this feeling of apprehension. So far as Wall Street is

Frenzied Finance

concerned, legitimate business is practically dead, and you have, for the time being at least, killed it. I will not add what ill your attacks have worked in the large insurance companies, for it is, I am sorry to say, patent to all that there is but little life—insurance business being done at present by the very large companies, and at best it will require years to live down the unsettlement you have wrought in the people's confidence in this worthy and time—proven institution.

These are the questions I want answers to, and answers in keeping with those broad professions of honesty and keen regard for the best interests of the people which you have been making.

Earnestly and respectfully yours,

1. Do you know economics and finance, money, banking, credits, corporations, and business in their broad relations to the people, the American Government, and natural law, and the relation each holds to the other, or is your knowledge confined to the skimming and smattering such as any alert and bright stock speculator would naturally pick up in years of experience as a broker and manipulator?

2. Do you not know that in all times there have been, and must naturally be, very rich men, and that necessarily there can be but very few of these, and that where they are there must be very many times as many poorer ones, very poor ones?

3. Do you not know that there must be billions of dollars' worth of stocks and bonds in America, and that they must not only increase but increase very rapidly, and that their existence instead of being evidence of great evil is proof positive of the great prosperity of the whole country and the whole people, and that it is the sacred duty of all the people down to the very poorest, who own none of these, to guard, protect, and maintain their price, and not the duty of any honest man to destroy or shrink the value of this evidence of real wealth?

4. Do you not know that a large portion of all these stocks and bonds is owned by the masses of the people; that if they should be frightened into selling them there would be no place to put the vast sums they would receive for them, as the banks could not profitably use this cash if it were added to what is deposited now, and that the only sufferers by this frightened and forced selling would be the people whom you profess to be working for?

5. Do you not know that if the people should start on a given day to withdraw their money from the banks and trust companies throughout this country, there would be the worst calamity in this country that the world has ever witnessed; that all lines of business would be disorganized; that the country would be set back a very long time, and that the principal sufferers would be the working people and the

Frenzied Finance

farmers, and, in fact, all those classes you profess to be working for; and do you not know that in the middle of this calamity you would probably be lynched and perhaps torn limb from limb by the crazed and deluded people, who would then see the danger of your teachings?

6. Do you not know that the result of the people's selling their stocks and bonds in concert would be a great drop in their price, and that the people's raiding the banks and trust companies of their deposits would also bring about a tremendous drop in the price of stocks and bonds; that the only ones who can possibly benefit are the bears who sell short; that these bears have no legitimate standing in the business world, and should have none, and that in the broadest sense of the term they are not honest men?

7. Do you not know that the greatest institution in this country to-day is life insurance, and that if you disturb the confidence of the people in life insurance their families will be deprived of the greatest source of income at a time when most in need of it?

8. Do you not know that there can be no new remedy for the present condition of affairs, even if it is really as bad as you picture it, and that the only remedy or cure possible is a more honest enforcement of our present laws, a more honest conduct of our present enormous business, and a more intelligent recognition by the working people and farmers of the inevitable natural laws? Also that there can be nothing more pernicious than this constant teaching them that their interests are opposed to the interests of the very rich class?

9. Did you not write your story to advertise yourself for the purpose of making money out of the following your disclosures would bring you and for the purpose of making money for *Everybody's Magazine*?

10. Do you not own the largest part of *Everybody's Magazine*, and has not your part of the profits received from that source since you began your story been very large?

11. Do you not sell stocks short before each of your advertisements, and are not the press stories and the one now current in Wall Street that you made over a million dollars in the decline which preceded the appearance of the June *Everybody's*, true?

12. Are you going to commit the crime of calling out bank and trust company deposits?

13. If you make such a call, and it is answered, and there is a destructive panic and a number of the big New York banks and trust companies fail, what will you do?

14. If the masses should sell their stocks and bonds and get their money, what would then happen?

15. Do you dare say to your readers now and unqualifiedly, that you have a real remedy for the present financial evils, and that it will show when it is given that it is anything

Frenzied Finance

more than some new scheme by which you personally are to get the people's money?

16. Do you dare to say now to your readers unqualifiedly that this remedy will show conclusively that it has not been invented since you began your story of "Frenzied Finance"?

17. Do you dare tell your readers now and unqualifiedly that you personally did not make money out of what you call the "Amalgamated swindle"?

18. Do you dare tell your readers now and unqualifiedly that you have not made money, and an enormous amount of it—very much more than all you have spent in connection with your work of "Frenzied Finance"—out of the people since your story began?

I will state in fairness to you before you make answer to the above questions that it is now my intention to take your answers into court in a suit which will be brought, and that if you have made answers different from those you make under oath you will be held up to the scorn of the whole American people.

I replied:

I admire your smartness. Of the thousands of letters I have recently received yours is the cunningest. If I do not answer your shrewd and adroitly put questions in the brief space at my disposal, you will discredit my work. If I take offence at your way of putting your questions, you will have the pretext you are evidently looking for. Then, your closing warning is so manly and generous! I must not lie, because, if I do, you will expose me in court! You thought that would make good reading after I had refused to make reply in this issue, and you had advertised your letter. Again, you probably figured that as my June chapter was all taken up with my story and there was no room for the insurance article I had promised, I should need all my "Critics" space this month for it; so, all in all, I guess you were pretty sure I could not answer your apparently fair and honest questions.

I'll disappoint you. If my "Critics" pages had actually been on the press at the moment your questions came in, I should have telegraphed the publishers to yank off the plates and hold up the edition at my own expense until I should have had time to polish off your interrogations. Before starting in let me say to you that if you will find a way of getting my answers out into the open under oath, I shall consider that you have done me and my work a good turn.

QUESTION 1. I *know* economics and finance, money, banking, credits, corporations, and business in their broad relations to the people, the American Government, and natural laws, and the relation each holds to the other—not so well as I should like to know them, but as well as any member of the "Standard Oil," of the "System," or any one of their hirelings knows them. You have been brutally blunt in putting your questions, so don't accuse me of egotism if I bluntly answer: I know them all, top, sides, and bottom, from thirty–six years' book study of them and thirty–six years' actual experience in the nine–pin alleys where they are daily and nightly set up for the express purpose of being knocked down. I know the relation of each of these important life factors to each of the now–you–see–it–and–now–you–don't jokers of the "System." Make no mistake, Mr. Banker, my knowledge is not "a skimming and smattering such as any alert and bright stock speculator would naturally pick up in years of experience as a broker and manipulator," but the straight brand which the "Standard Oil" and the "System" so like to impress into their service when they run up against it in their continuous robbing excursions. You may judge that my knowledge is not of the smattering kind when I say that for years, in spite of my refusal to join the band and wear the collar, whenever Rogers and Rockefeller had a particularly hard nut to crack they called me in to try it on my "*knows*."

2. Yes, I am aware that there have always been, and that there will always continue to be, very rich men, and that there cannot be many of them, and that where they are there must be very poor ones. And I also know that no honest man, rich or poor, objects to the necessarily few very rich ones who have honestly acquired

Frenzied Finance

great fortunes as the reward of their own or their ancestors' labors of body or brain in the interest of all the people. Don't misunderstand me—no honest man or woman can object to the *necessary* great fortunes, but all honest American men and women do object, and are getting ready to make their objection heard, to all unnecessary great fortunes, “made dollar” fortunes gained by trick of finance or evasion of law, or the brutal and ruthless stock manipulation of recent years. The sooner the “System” and the other possessors of these “unnecessaries” realize that their doom is sealed and dig for the cyclone cellars, the quicker the American people will get through with the strenuous house-cleaning job for which they are just rolling up their sleeves.

3. I do know there must be billions of dollars' worth of stocks and bonds in America. I also know that among these legitimate billions of dollars are now mixed other billions of dollars that have no proper title to being, save the greed of the “System.” That while the existence of certain billions of dollars' worth of stocks and bonds is proof positive of the great prosperity of the whole country and the whole people, it does not follow that their existence is proof that the hands they are found in are the hands they should rest in. Further, I assert that the existence of other billions of dollars' worth of stocks and bonds is proof positive that the laws have been violated and that the great prosperity of the whole country has been used as the excuse and motive of this violation, and declare that, in my opinion, it is the duty of honest men and women to do all in their power to shrink fictitious securities and to destroy them; and, further, that it is the duty of all honest men to lend a hand so that the legitimate billions of dollars of stocks and bonds may be returned to the hands of those who are legally entitled to them.

4. I am aware that the people owned billions of these stocks and bonds three years ago, and also that if they had then sold them back to the “System,” even at the price they had paid for them, and had kept their money in the banks without interest, or had even buried it in the ground or kept it in their stockings for a year, they would have been able to buy back for fifty cents on the dollar what they had sold the “System,” thereby making for themselves billions of dollars and impoverishing the “System” by just as many billions as they had made. You know that the “System,” after it had loaded up the people with its stocks, “shook them out,” and thereby gathered in half the billions of money the people had paid for what they bought.

Let me illustrate. The people bought of the “System” for 760 millions of dollars the Steel Trust stocks and bonds, and after the people had the “System's” chromos and the “System” had the people's 760 millions of savings, the “System” caused the price to be cut in two. Then it bought back the Steel Trust's chromos for 380 millions, thereby transferring from the people to the “System,” in this one instance alone, 380 millions. And, further, after the people had been shaken out of their stocks and bonds and the millions of their savings—in the Steel Trust alone 380 millions—the “System,” having these securities in its possession, began to inflate prices for the purpose of again selling to the people; in December last they had inflated the prices of billions of stocks and bonds to their old false figures, and were then preparing to unload them on to the people; in the case of the Steel Trust stocks and bonds the price had again mounted to 760 millions. In compliance with my warnings the people began in December last to unload upon the “System” the billions they then held at these inflated prices, and they have continued to do so ever since, and have suffered no hardship by the forced selling into which I have frightened them. I further know that they will find good use for this money at a later period in buying back from the “System” these same securities at their true worth; in other words, that before I am through with my work they will be able to repurchase from the “System” for 380 millions or less the Steel stocks and bonds now selling for 760 millions.

5. I do know that one of the most colossal impositions ever perpetrated on the whole people of any nation is that formula which the “System” has so insidiously instilled into the minds of the American people during the last century, to wit: that they must do nothing which might disturb the “System” in its use at two to four per cent. per annum of all the people's savings, deposited in banks and trust companies throughout the country; that if they do, there will be a Wall Street panic, and thereby all the people will be made to suffer great hardships. On the contrary, I know that if the people do what is necessary to shake off the “System's” strangling grip upon their savings, the “System” will suffer death, and everlasting profit and advantage will accrue to the nation. Though it be necessary for the people to withdraw from the banks and trust and insurance companies their billions of savings, and even though such withdrawal must cause a temporary business crash and the failure of many of the financial institutions of the country, the sacrifice would be many thousand times compensated for by the benefits that would follow in its train. I will go further and state that if such radical

Frenzied Finance

action should become necessary, the people should willingly face the failure and destruction of one-half the banking institutions of New York if by doing so they could absolutely destroy the "System." But do not misunderstand me—the simultaneous withdrawal of the people's savings from the banks and trust companies throughout the United States would be such a terrible temporary hardship that nothing could justify it but the absolute necessity for uprooting and eradicating the "System"; I should not hesitate, however, to face the full responsibility for such a move if the "System" cannot be destroyed in any other way, even though I were sure I should be lynched or torn limb from limb by those people who have been crazed and deluded, not by my teachings, but by the damnable doctrines and acts of the "System" and its votaries.

6. I am well aware that the result of the people's selling their stocks and bonds in concert and the withdrawal of their savings would bring a tremendous drop in the price of stocks and bonds. *This is what I am working for*, but I am proceeding in such a way that I believe when the crash comes the people will be free from their stocks and bonds. Your proposition that the bears will be the only beneficiaries I regard as rot; on the contrary, I know that the people will benefit a dollar where the combined bears will benefit a cent. Pardon my giving you here an A B C lesson in finance—I know a bear is no more dishonest than a bull. When a man tries to put up the price of stocks and bonds, he is a bull. When he tries to put them down, he is a bear. If a bull tries to put prices to a point of fair worth, he is an honest bull. When he tries to put them any higher than fair worth, he is a dishonest bull, for he does so for the purpose of obtaining from the one to whom the stocks are sold a greater gain than he is entitled to, and always by false pretences. When a bear tries to put stocks from an artificially high price to their fair worth, he is an honest bear. When he tries to put them any lower, he is a dishonest bear, because he does so for the purpose of purchasing from their owners stocks or bonds at less than their fair price, that he may pocket the difference between the artificially low price he makes and the higher price at which he has sold, and this profit is procured by false pretence. You, and thousands like you, should get out of your heads the false notion that a bear is necessarily less honest than a bull.

7. Life insurance is a great institution, and should be a sacred institution—*provided* it is honest life insurance. He who would, for any dishonest reason, disturb the people's confidence in honest life insurance I consider a criminal; but I am sure that one who, having the power to awaken the people to their peril, yet stands silently by and suffers them to be bled and plundered in the name of life insurance is even a greater scoundrel.

What is life insurance—honest life insurance? A contract between two parties by which the first agrees, in return for a certain fixed charge per year, to pay to the family or other beneficiary of the second party a stipulated sum in case of said second party's death; but it is plainly understood between them that the annual charge exacted by the first party shall be only such an amount as will insure the carrying out of the contract, plus whatever is the legitimate expense of conducting the business connected therewith. Under no circumstances would I say aught in disparagement of such a contract, but if I did not lift my voice against such life insurance as is carried on by the Mutual, New York Life, and Equitable companies, knowing what I do know, I should be a deep-dyed scoundrel.

Life insurance as it has been conducted in the past and as it is being conducted at present by these three companies, I regard as the most damnable imposition ever practised upon the people of any nation. Under the pretence that it is necessary to enable life-insurance companies to carry out their contracts, two million policy-holders are annually tricked into contributing from their savings sums which not only insure the performance of these contracts but enable the officers and trustees—mere servants of the policy-holders—to maintain the most gigantic stock-gambling machine the world has ever known. Through its operation the companies themselves not only make and lose millions at single throws of the dice, but the bands of schemers whose services it is pretended are essential for the transaction of the life-insurance business filch for themselves huge individual fortunes. Piled on to these excessive charges are additional amounts which enable these tricksters to maintain palaces, hotels, bars, and every conceivable kind of business, to pay for armies of lackeys and employees and private servants of officers and trustees, and for debauches and banquets which vie with any given by the kings and queens of the most extravagant and profligate nations on earth; in addition, enough more to accumulate huge and unnecessary funds—which are juggled with for the enrichment of individuals. Such wicked exactions and shameful extravagances constitute an imposition of the most wanton and criminal character, and those responsible should be sent to State prison for life, as too vicious and

dangerous to be allowed freedom among an honest people.

I would say further that the trickery and frauds that have been practised by the New York Life and the Mutual companies are fully as bad as, if not worse than, those of the Equitable, now publicly confessed.

8. It is difficult for me to answer such a question—just as difficult as it is for the mature man to answer the question of the child, “If the moon is made of green cheese, what kind of rat-traps do they use in heaven?” The “System” for forty years has taught the people that it is impossible for them to improve upon the conditions which the “System” has moulded for its own plundering purposes, yet I have a simple Remedy, readily understood, which I believe the people will eagerly embrace as soon as it is given them. This Remedy is adjusted to laws now in force; and when it is put into operation those who have acquired enormous fortunes by trickery and fraud will find themselves deprived of their ill-gotten gains by the simple application of natural laws to which the said Remedy affords leverage and action. All honest people, the richest as well as the poorest, will be benefited in fair and just proportion. Once the Remedy is in force, it will be out of the power of the trickster and the thief to accumulate overnight scores of millions, although the Edisons, the Stephensons, the Morses, or any man who by brain or body does those things for his fellows which they cannot do for themselves, will continue to receive that great reward which the whole people in their wisdom and generosity decide is fair for exceptional services; the common miner, too, when he discovers the hidden gold, silver, or copper in the earth will obtain the same return that he is entitled to under to-day's laws, or even better.

9. This story is written, as I have explained so many times before, simply and solely in performance of my duty toward my country and its people and without hope or desire for reward of any kind.

10. I do not own any part of *Everybody's Magazine*, nor have I any money interest in it, directly or indirectly. I have not made a dollar from *Everybody's Magazine* directly or indirectly, but, on the contrary, have spent hundreds of thousands of dollars to assist in getting my story into the hands of the people.

11. Before my first advertisement in December, at a time when I did not know how the people would take it, and when I did not know whether stocks would go up or down, I took my chance in the open of making loss or profit and did sell large amounts of stock short, making some hundreds of thousands of dollars profit; but when in the middle of the disturbance I saw how seriously the people took my message and that there might be a great panic, I began to buy, and thereby sacrificed a million of profits. And, since then, that is, after I realized that the people would respond to my warnings, I have refrained from going short in advance of these advertisements, because I desire to keep strictly apart transactions conducted for my own personal account and operations I am directing for the benefit and safeguarding of the public. I am determined to use every means in my power to keep the people out of a dangerous market and to concentrate the billions of stocks in the hands of the “System,” and am not actuated by any desire or necessity for gain. Already the “System's” votaries are tottering under their load and it is certain that in the coming months they will employ every possible means to persuade the public back into their trap. More than ever, then, is it necessary to be firm against their blandishments, for when the crash comes it will be a terrific one, and those who have great holdings of speculative securities will surely find their values cut in half. Since my first public announcement I have not made enough out of market operations to pay even the expenses of any particular advertisement.

12. I shall not commit any crime; I have too much veneration for the laws of our country; although let it be understood that I may, at any time, commit what some hireling judge of the “System” may call a crime, *for I am going to call upon the American people to withdraw their deposited savings at the proper time; and the proper time will be that time when I am absolutely sure they will withdraw them. But I shall not resort to this last move unless it is certain that the “System” cannot be crushed in any other way.*

13. I will first thank God and then proceed to assist in burying the corpse of the “System.”

14. The “System” will be brought to its knees; stocks will fall to figures representing their legitimate values and the public will reinvest its money therein, and thus regain control of the great transportation and industrial interests of the country which the “System” has filched from them.

15. I say unqualifiedly to the American people that this Remedy of mine will, when adopted, correct the greatest evil in the financial system of this country. That while it is simple it is absolutely new, and that neither I nor any one else can possibly benefit moneywise from it except in the some proportion as all other people in the country benefit.

Frenzied Finance

16. My Remedy was worked out before 1894, and in that year, one year before I had met any of the "Standard Oil" people, it was so far perfected that in London I laid before Joseph Pulitzer, then and now owner of the *New York World*, the identical first printed plan that I will print in *Everybody's Magazine* when I judge the people are ready to receive it.

17. I unqualifiedly say to you and to the American people that I lost millions of dollars more in what you call the Amalgamated swindle than I made, and that I lost trying to make good my word to the Amalgamated subscribers.

18. I have spent much more money, hundreds of thousands of dollars more, in getting this work, "Frenzied Finance," into the hands of the people than I have made through anything in any way connected with it.

THE CRIME OF AMALGAMATED

Many of my readers had difficulty in following the intricacies of the great crime of Amalgamated and I had many letters desiring further explanation of that act.

PEAKE'S ISLAND, ME., May 31, 1905.

T. W. LAWSON, ESQ.

Dear Sir: Have just finished June number of "Frenzied Finance."

You are running a "primary class" of High Finance for millions; have been able to follow you up to this number, and my apology in writing to you is to state that I don't understand this lesson and I believe I am of the average intelligence of your readers.

I am not clear on the following points, and if you can take the time and have the desire to do so, I should be glad to have you set my gray matter moving in the right direction.

1. Why should subscribers think that a company, who had as good a thing as advertised, would sell the entire stock, thus giving an opportunity to any financier to gather in fifty-one per cent. and practically take away its good thing?

2. How would it have been possible for you with the \$5,000,000 from the shares it was originally the plan to sell to protect those 50,000 shares on a bear market with 700,000 shares in Messrs. Rogers and Rockefeller's possession?

3. Why would it not have been a crime to dispose of only 50,000 shares when the whole 750,000 were advertised?

4. Messrs. Rogers and Rockefeller were the Amalgamated Company after purchasing the capital stock from the office-boys, were they not?

5. If Rogers and Rockefeller paid for their shares, what became of the Amalgamated Company's \$75,000,000 secured by sale of stock?

These may sound foolish to you, but I'm interested and should like to understand.

Permit me to state that I admire your pluck and ability and wish you success in your remedy, whatever it may be.

Respectfully yours,
(Signed) —

I replied:

Your first question is a hard one to answer, as it goes to the very foundation of "the stock-market." In the ideal operation of stock-markets, owners of valuable properties should always allow the public to join in their

Frenzied Finance

“good things” at fair prices, because all who thus participated would make money and would be ready for the next “good thing,” and so on to the end. On the other hand, if the public were only invited into the “bad things,” in time they would not come in on anything, good or bad, and there would be no stock–market. The foundation of stock–markets, like all other kinds of markets, is the public interest therein—for it is the people who own the great bulk of the money in the country, and its aggregate is far beyond the amount that the very few rich men possess. Stock–markets are no different, at least should be no different, from horse–markets, boot and shoe markets, or mowing–machine markets. The horse–markets whose dealers sell to their patrons good horses at fair prices, succeed; those whose dealers offer only the “culls” and “no goods,” fail.

2. Had I been able to keep 700,000 shares in the hands of Rogers and Rockefeller with but 50,000 in the hands of the public, Rogers and Rockefeller would never have permitted the stock to go down, because they would have lost \$700,000 at every point drop and by “bearing” they could make only \$50,000 a point drop. Stock schemers never “bear” a stock of which they own a large majority and the public a small minority.

3. It would have been no crime if Rogers and Rockefeller had subscribed honestly—that is, according to the advertised terms—for enough to secure the stipulated 700,000 shares, because there was nothing in the conditions which excluded them or any one from subscribing. The crime was in the way they obtained the amount thus retained and in their “intentions” subsequently executed, also in the selling of \$27,000,000 worth of the stock when they had pledged their word solemnly to me in my capacity as protector of the people that they would sell but \$5,000,000.

4. Yes.

5. The office–boys, equipped with the check of \$75,000,000 provided by the National City Bank, were organized into a corporation and turned over to the treasurer of the new corporation the \$75,000,000 check in payment for the capital stock of the company. The company then turned this same check over to Rogers and Rockefeller for the mining properties comprising the consolidation, for which Rogers and Rockefeller had paid thirty–nine millions of dollars; then Rogers and Rockefeller paid back to the office–boys the seventy–five–million check and received from them the seventy–five–million stock. The check was returned to the bank by the office–boys, who stood where they stood at the beginning of the transaction, and canceled. Thus Rogers and Rockefeller at the close of the transaction had in their possession the entire capital stock of the Amalgamated Company.

* * * * *

Another correspondent had even greater difficulties with the problem:

May 29, 1905.

MR. THOMAS W. LAWSON,

Boston, Mass.

Dear Sir: The writer of this letter has had much experience in literary matters, but does not remember ever reading after any one who could hold his interest as you can. He is an author himself (though not so well known as you), and feels some little ability to measure and appreciate not only literary worth, but the intentions of the author in hand. From the “internal evidences” alone he has a settled conviction that you are perfectly honest in this crusade, and from the bottom of his heart wishes you Godspeed.

A few points are certainly not clear to the ordinary reader. Closely as I have followed you I cannot see some things as you think they should be seen. For instance:

1. Just why were you so fearfully wrought up at the thought of the public's getting ten millions instead of five? If you had such confidence in the gigantic possibilities of Amalgamated, why should you not have been glad to let the poor suffering public have ten millions, or twenty millions,

instead of a paltry five millions? Was this hydrophobia of yours at the mere suggestion prompted by a perfectly pure or by a selfish motive? At the first did *you* not plan to let the public have very much more than this? Was it not your thought, I mean, that the public should be in the thing about equally with you promoters? Then why not welcome the suggestion of Rogers? I do not understand this at all.

2. About that “bogus subscription.” Did you not all plan to do about the same thing? Did you not intend to have Rogers put in a towering subscription, large enough to cover the situation, and to permit the bank to reject all above the five millions to be allowed the public? I believe *you* expected Rogers to make it “genuine” by really putting it in in time, and by laying down his check for the five per cent.; but, as you fully expected to realize on the thing so quickly, did you not understand that the whole of this “subscription” would not have to be paid at all, and that your “check” was after all only technical? If I am right, how did this differ so greatly from what Rogers did? Was not your avowed object to cheat the public into thinking they were to be allowed to subscribe to seventy–five millions, when actually you were only going to let them subscribe to five? And if, on that last day, you knew the subscriptions were pouring in in such a flood, and knew that offers of a big premium were then being made, how in the world did the idea of letting the outside public have twenty millions or so (on which to immediately realize this premium) seem so abhorrent to you, when you professed to be looking after their interests?

The more I think of these points, the more mixed I become, and I think many, very many of your readers are in the same boat. Your illustration of the horse–race does not clear the matter a particle. It certainly does appear on the face of the facts you present that the people who did not get any stock were the lucky ones, whether Rogers's precise action was criminal or not. You say yourself that it would have been good all round if you had pricked the bubble that night—that is, if you had then and there prevented anybody from getting any premiums, from buying or selling a share. Then in the name of reason, why was it not really good for those who were rejected, that they were left out?

3. Now, in plain language, brief and straight, what would you have deemed the right thing, that night at the bank? With hundreds of millions subscribed, how many shares would you have thought the public should have? How many do you think now? And how should the balance have been kept for you promoters? Perhaps in answering this you will make it plain.

Sincerely yours,

(Signed) ———

In answer to Question 1, I said: All my dealings had been conducted on the basis of selling to the public a fair amount of the first section of the consolidation and I had no tremors as to consequences. I knew that

Frenzied Finance

whatever allotment was made them would be worth all they were to pay for it, for I was personally familiar with the value of the properties of which the section was to be composed. When Mr. Rogers, as I have explained in my story, substituted, under circumstances that rendered me defenceless, an entirely new set of mines for those programmed for the first section—properties about which I knew only what he told me—from that time on my only guarantee against the jugglery and fraud I feared was to keep in the hands of Rogers and Rockefeller so large a part of this stock that they could play no tricks on the public without themselves suffering much more severely. If they regarded the stock as so valuable a possession that it was a security to be held as “Standard Oil,” then their attitude to it guaranteed its value, and no harm could come to any one. When, however, they showed a readiness to part with more shares than the number they had promised me they would not go beyond, my fears were aroused, for all the contingencies I dreaded at once became imminent. Besides, such action was proof positive that in their opinion the mines were not worth the price at which they were selling them. Later on, when I had practical evidence that they were unloading and proof positive that they were juggling the stock, I felt certain that these facts constituted proof positive that they had lied to me about the cost and worth of the Amalgamated mines.

My answer to Question 1 practically disposes of part of Question 2, and my replies to the other inquiries above take care of another part.

I did expect Mr. Rogers to make an honest subscription for that part of the stock which we were to retain and which I was doing all in my power to have him retain, not because I desired to hold all of the good thing and so cheat the public, but because I did not think it safe for the public to hold so many shares that it would be to Rogers's and Rockefeller's interest to “bear” prices later and take shares away from the holders at slaughter prices. In one sense it was not fair to lead people to imagine that they were being offered \$75,000,000 of an issue when as a matter of fact they were really offered only \$5,000,000, but if only \$5,000,000 were offered no harm could come to them, because every one who got some of it would make a profit, and those who received none would not suffer.

STEEL COMMON AND PREFERRED

A definite accusation of misrepresentation was presented in a letter that came to me early in the year in criticism of Steel facts and figures I had used in illustrating the artificial advance and depression of stocks:

CINCINNATI, O., January 24, 1905.

THOMAS W. LAWSON.

Sir: Lawson, you are both a fakir and a fool. A fakir because you misrepresent, and a fool because you do not begin to understand the people.

When you said the stockholders of the Steel Corporation lost \$500,000,000, you knew that you lied. Because the difference in price of the stock to-day and when it was quoted on the New York Stock Exchange for the first time in 1901 does not approach that amount. I say that you knew this when you made that statement, but you thought and hoped that the general public would not be posted in the matter.

The whole substance of your magazine articles has been nothing but half-truths, and a half-truth is worse than a lie. You know that it is to gratify your personal spite, and not to help the general public, that you have engaged in your frenzied writings. The public is wiser than you think, although your conceit has blinded you to that fact.

Respectfully,

F. F. METHVEN.

This frenzied nincompoop is evidently ignorant of the fact that 360,281,000 shares of Steel Preferred were sold to the public at over \$100 per share, and that 5,500,000 shares of Steel Common were sold at over \$50 per share, or nearly \$300,000,000, and that months later, when the people were compelled to resell to the “System,” they could get only \$50 for this preferred stock and \$10 for the common, while the \$551,000,000 of

Frenzied Finance

bonds depreciated in value over \$100,000,000 more. What this critic desired to say was that, at the present price of Steel stocks, no such loss as \$500,000,000 is shown, which proves my oft-repeated contention—the “System,” having “shaken out” the public and acquired their holdings at fifty and ten respectively, is now engaged in putting the price back to the old figure, intending to repeat the robbery process later. A votary of the “System,” whom I know quite well, said to me a few weeks ago:

“Lawson, you keep chasing 'Frenzied Finance' will-o'-the-wisps while the rest of us are pulling in the dollars, and see where you will come out in the end. Look what I've done: I sold 200,000 shares of Steel Common for \$8,000,000. It cost me \$3,000,000. I made \$5,000,000. I then 'shorted' 100,000 at \$50 and bought it back at \$12. I made \$3,800,000. I then bought 300,000 at 10. It's now 30. When I sell out at 40, I shall have \$9,000,000 more, making \$18,000,000, without turning a hair or risking a dollar. With prizes such as these a man can stand a lot of frenzied hard names, can't he?”

THE REMEDY

As I have explained on another page of the “Critics,” my Remedy cannot be dealt with save at considerable length and with living, tangible illustrations. I have purposely abstained from starting it until I have the American public educated to the point of comprehending its value and appreciating its practicability so far as to be ready to put it into operation. During the year I have had thousands of letters in regard to it, the following being a fair example:

TOPEKA, KAN., January 5, 1905.

Dear Sirs: I have followed Mr. Lawson's article very closely and, as I understand it, he intimates that he has a remedy for the rotten condition of affairs now prevailing. What I, and many more of your readers, would like to know is, whether Mr. Lawson, in offering a remedy, is taking into consideration the 22,000,000 people of the country who neither invest in stocks nor hold any amount of insurance, or is his remedy meant merely to protect the four million small capitalists from being eaten up by what he terms the “System.”

It is very evident to some of us that if he cannot show us how to protect the great majority of the people who, although they are not even small capitalists, are the ones who are really footing the bills, his remedy will not be the grand success he anticipates.

J. P. FERRITER.

My Remedy will benefit the whole American people. It will help most the man who nowadays in America deserves most to be helped—the producer, who to-day is exchanging the efforts of all his working hours for the bare necessities of himself and family; not those bare necessities which the white slaves of Europe are ground down to believe are their only requirements, but those which the free and enlightened American believes, and has taught his family to believe, should be his necessities.

It is intended to benefit most the man who has nothing left over after paying his bills Saturday night but the terrors of not being able to meet them the coming week. It would indeed be a parody on a Remedy if it did not bring relief to this class.

Next, my Remedy will benefit that great middle class whose savings go to make up the billions in the savings-banks, national banks, trust and insurance companies, which are used by the “System” to secure for themselves a hundred, a thousand, and ten thousand per cent. interest on *their* capital, while the owners of these billions must be content with two and a half to four per cent. per annum; and

Next, it will benefit that class which possesses large fortunes honestly acquired, inasmuch as it will enable them to know what there is behind their investments. None but those who have plundered the people—acquired overnight fortunes many times larger than any honest lifetime efforts could possibly bring—can possibly be hurt by the application of my Remedy.

You are right—any remedy which would do other than what mine proposes to do would be a farce.

