

# TWO MONEY KINGS CONTROL ALL WEALTH OF UNITED STATES

## George F. Baker Is Newly Discovered Coruler of Finances.

## He Shares Reign Over Millions With Morgan --- Great Power They Wield.

THAT two men virtually dominate the finances of the United States, practically creating what has popularly become known as a money trust, was the startling but nevertheless truthful conviction forced upon the people by the testimony of George F. Baker before the Pujo congressional committee at Washington recently. One of the men who control our money is Mr. Baker himself. The other is J. Pierpont Morgan. The name of Mr. Morgan is known to every child in the country almost as soon as he can speak. He has been made the subject of popular verse and song.

But not so with Mr. Baker. He has managed to successfully keep out of the limelight until now. He can buy and sell the ordinary millionaire who bursts into print every time he makes a financial coup. As a matter of fact Mr. Baker is now looked upon as one of the four richest men in the United States.

### Was Once Bank Clerk.

There are many men in Wall street who remember George F. Baker when he was a clerk in the bank that he now virtually owns. Not the least amazing thing about his interesting career is that he has been able to climb so high without attracting any especial attention or making any undue noise about it. He is a man of silence. And, as the Pujo investigation brought out, next to Morgan he is the greatest man in Wall street. Few persons among the general public realize the real power of this inconspicuous individual, but it develops that he is one of the biggest figures in the coal fields and in banking. In the fields of transportation,



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insurance, rubber and innumerable other great industries he is a commanding force.

Quietly, silently, unobtrusively, he has gone ahead year after year with never a backward step. He has tramped on no one. He has made no enemies, aroused no antagonisms. His name has appeared rarely in the newspapers. He has money enough to buy out all the Lawsons, Gateses, Pattens and the rest of the crowd who shoot off skyrocket every time they buy or sell a few bushels of grain or cotton on a margin. Nobody has heard of Baker buying any stock, but when one comes to look over the list of the big American properties printed in connection with this article he finds the owners to be Mr. Morgan and Mr. Baker.

### Most Silent Millionaire.

Those who know George F. Baker and have a fair idea of the power he wields do not hesitate to say that he is an "irresistible force" and the most silent among all the great millionaires. Now and then some one sees him on the street "engaged in conversation" with some one. That means that the other man is doing all the talking and that Baker is listening. It is said that a visitor once spent six weeks at Mr. Baker's summer home at Tuxedo and never heard him speak a word in all that time. A nod or gesture was his usual expression of greeting or gratification.

Mr. Baker worked up from a clerk in the First National bank, which he now controls. It was when he was cashier that the opportunity of his life came. He grasped it instantly and turned defeat into victory. His assistant had made an error in judgment for which Baker would also be held responsible. They stood shoulder to shoulder and personally assumed the prospective loss. And instead of being dismissed they laid the foundations of their fortune.

### Story of His Rise.

As the story goes, John Thompson, the originator of the national banking system, was the president of the First National bank in those days. The relations between the bank and the government were close, and to the bank was intrusted the buying of all foreign exchange that the government needed

to pay the interest on its bonds abroad. Henry Fahnstock, now one of the First National's chief officers, was Baker's assistant as cashier and had charge of buying the exchange.

One day Fahnstock, as an act of kindness to a friend, bought some big drafts on London for the government from the banking house of Jay Cooke & Co. Baker approved the purchase, for Cooke was considered absolutely sound financially. A few days later Cooke failed sensationally and disastrously. Cashier Baker and his assistant were much concerned, not only on account of the money involved, but because of the severe criticism and probable dismissal that might follow from Mr. Thompson.

"It looks as though we would have to buy the bank to save ourselves," said Baker in talking the matter over with Fahnstock.

Then with this determination they went to President Thompson and made a proposition to him that staggered him at first. They knew that he wanted to retire from active management, that he felt that his work was done and that he wanted to be relieved of some of the heavy load of responsibility that he had borne for many years. They were young, vigorous and ambitious. They proposed that he sell them enough



© 1913, by American Press Association. GEORGE F. BAKER, WALKING.

of his stock to entitle them to exercise control and that if he would retain the presidency of the bank for six months they would purchase it at a certain figure. They did not have much money, but they had the courage to believe in themselves. What they practically did was to get from President Thompson a six months' option on the shares of the bank, for which they negotiated.

### Buy Out President.

The old gentleman had a high admiration for the two young men. He knew them for their worth, for their application, for their grasp of affairs, their knowledge of men and of banking. He was weary of his long years of labor, and he accepted their proposal and gave the young men a chance. The next six months were very busy ones indeed. Baker and Fahnstock had to get out and scurry around to get backing to buy the stock. They succeeded, and when the half year was up they obtained control. Today these two men are the same friends that they were when they were bank clerks together. They occupy the same box at the opera. All through life they have gone along side by side. Baker has climbed higher in financial power, though Fahnstock is many times a millionaire. How vast George F. Baker's fortune is no one but himself knows.

All these things considered it isn't any wonder that Mr. Baker made the whole country sit up and take notice when he took the stand before the Pujo committee. He virtually admitted that he and J. Pierpont Morgan constituted power equivalent to a money trust and that the country might be wrecked if this vast power fell into the hands of "ambitious men."

### He Discusses His Power.

Here is one bit of interesting testimony by Mr. Baker:

"Will you name a single transaction in the last ten years of over \$10,000,000 in amount which has been financed without the participation of Messrs. Morgan & Co. or the First National bank or the City bank of Kahn, Loeb & Co., or Speyer & Co. or Lee, Higginson & Co. or Kidder, Peabody & Co. of Boston and the First National bank and the Illinois Trust and Savings bank of Chicago. [All of these houses are associated with Mr. Morgan and Mr. Baker.] Take the whole range of transactions and point to a single one that has been financed without the co-

## MILLIONS CONTROLLED BY MORGAN AND BAKER.

Here is a list of the direct Morgan-Baker flotations, which carry in each case potentialities for domination:

American Agricultural Chemical company	\$1,150,000
American Telephone	188,500,000
Armour & Co.	30,000,000
Atchison, Topeka and Santa Fe	119,000,000
Atlantic Coast line	7,500,000
Boston and Maine	13,850,000
Chesapeake and Ohio	57,320,000
Chicago, Burlington and Quincy	50,690,000
Chicago Telephone	5,000,000
Cleveland, Cincinnati and Ohio	15,000,000
Florida East Coast	10,000,000
General Electric	10,000,000
Hocking	1,584,000
Illinois Steel	10,000,000
Indiana Steel	5,500,000
Interborough Rapid Transit	10,000,000
International Harvester	10,000,000
Kansas City Terminal	4,817,000
Lake Shore	192,000,000
Louisville and Nashville	49,000,000
Maine Central	14,000,000
Michigan Central	63,100,000
National Tube	10,000,000
New York Central and Hudson River	57,000,000
New York, New Haven and Hartford	86,127,000
New York, Ontario and Western	2,000,000
Pacific Telephone and Telegraph	15,500,000
Pennsylvania	120,000,000
Portland Railway Light and Power company	15,000,000
Reading	18,381,000
Southern	11,775,000
United Fruit	4,235,000
United States Rubber	8,000,000
United States Steel	30,000,000
Westinghouse Telegraph and Telephone	15,000,000
Total	\$1,368,255,000

operation of some one of those institutions."

"I am not sufficiently familiar with it to tell you, but I should judge that White, Weld & Co. and Rollins & Co. had done so," was the reply.

"Do you not know that White, Weld & Co. and Kissel, Kinncutt & Co. market largely J. P. Morgan & Co.'s bonds?"

"I did not suppose so. I have not been familiar with the business of the street for a half dozen years."

"Are you able to point to a single transaction in the last five years of \$10,000,000



Photo by American Press Association. ANOTHER STUDY OF MR. BAKER.

and over that has been financed in the United States without the co-operation of some one of the houses I have named?"

"No, sir," replied Mr. Baker.

Regarding the concentration of money power Mr. Baker said:

"I suppose you would see no harm, would you, in having the control of credit as represented by the control of banks and trust companies still further concentrated? Do you think that would be dangerous?"

"I think it has gone about far enough."

"You think it would be dangerous to go further?"

"It might not be dangerous, but still it has gone about far enough. In good hands I do not see that it would do any harm. If it got into bad hands it would be very bad."

"If it got into bad hands it would wreck the country?"

"Yes, but I do not believe it would get into bad hands."

Mr. Baker was very frank in admitting that it wasn't an enviable situation for a country to be in.

### How Wealth Is Dominated.

Here are seven painful but truthful facts which stand out strongly in the testimony of Mr. Baker before the committee:

First.—That no great enterprise can go forward successfully in this country unless the men at the helm have the confidence of J. P. Morgan and his associates.

Second.—That the financial situation in this country today is subject entirely to the power of a few men.

Third.—That these men are the arbiters of what is right and good for the remaining 90,000,000 and that their judgment must be accepted because not even the government is strong enough to cope with them.

Fourth.—That competition is a thing that may exist among large enterprises, subject again to the judgment of the money masters.

Fifth.—That the great system of interlocking directorates extends over all the major industries and that competition may be killed without interference from the law.

Sixth.—That Morgan and his associates have handled every bond issue of more than \$10,000,000 in the last decade and that these bond issues carry the right of control.

Seventh.—That the ethics of banking preclude a bank from financing a concern that would interfere with the concerns that it has already

## REVISION AND APPEALS.

Notice is hereby given, pursuant to the provisions of the Act of Assembly, entitled "An Act to provide for the ordinary expenses of the government, payment of the interest of the state debt, receiving proposals for the sale of public works and for other purposes," approved the 27th day of July, 1842, that the assessors of the several townships and boroughs of Wayne county have made their returns of their assessments for the year 1913, and that the following is a statement of the aggregate values and assessments made by said assessors of the several subjects of taxation enumerated in the 11th section of said Act of July 27, 1842, and in the several Acts supplementary thereto, and of the whole amount of county taxes assessed in said townships and boroughs.

## STATEMENT.

Notice is also given pursuant to Act of Assembly aforesaid, that the following days and dates appointed for the several boroughs and townships, have also been appointed by the Commissioners of said county for finally determining whether any of the valuations of the assessors have been made below a just rate according to the meaning and intention of said Act.

The Commissioners of Wayne county sitting as a Board of Revision have appointed the following days and dates respectively for hearing final appeals from the Triennial assessment of 1913 at the Commissioners' office, Honesdale, Pa., beginning at 8 a. m. Monday, Feb. 3, 1913, and closing at 2:30 p. m. Friday, Feb. 7, 1913:

Monday, Feb. 3—Honesdale and Texas.

Tuesday, Feb. 4.—Berlin, Damascus, Manchester, Buckingham, Lebanon and Oregon.

Wednesday, Feb. 5—Scott, Starucca, Preston, Mt. Pleasant, Cherry Ridge, Dyberry and Bethany.

Thursday, Feb. 6—Clinton, Canaan, South Canaan, Prompton, Waymart, Lehigh and Dreher.

Friday, Feb. 7.—Salem, Sterling, Lake, Hawley, Palmyra, Paupack.

Persons having a grievance should try to adjust it with the assessor before the appeals, if this cannot be done, and it is not convenient to attend the appeals, write the grievance and mail it to the Commissioners' office and it will receive attention. County levy for 1913 is 4 mills.

JOHN MALE,  
EARL ROCKWELL,  
NEVILLE HOLGATE,  
County Commissioners.

Attest: T. Y. Boyd, Clerk. 3eol3  
Honesdale, Pa.

## GROWING WAYMART BIDS YOU WELCOME

The hustling little borough of Waymart, located on the Honesdale branch of the Delaware and Hudson railroad, at the base of the Moosic mountains, is growing rapidly. There is only one house vacant in that village and it is one of the best built houses, there, too. It contains eight rooms and is a store and dwelling combined. Can be used for two families. The property is located in the center of the town and is directly opposite the postoffice. It would make an ideal place for almost any kind of business. The lot is 60x160 feet and can be bought on easy terms of the Buy-U-A-Home Realty Company, Honesdale, Pa., Jadwin building. If you cannot come to Honesdale use the telephone or write and further description will be cheerfully given. 99ft.

## SPENCER The Jeweler

would like to see you if you are in the market for

JEWELRY, SILVERWARE, WATCHES, CLOCKS, DIAMONDS, AND NOVELTIES

"Guaranteed articles only sold."

## MARTIN CAUFIELD

Designer and Manufacturer of

## ARTISTIC MEMORIALS

Office and Works

1036 MAIN ST.

HONESDALE, PA.

NOTICE OF ADMINISTRATION, ESTATE OF OAKLEY B. MEGARGEL, Late of Sterling, deceased. All persons indebted to said estate are notified to make immediate payment to the undersigned; and those having claims against said estate are notified to present them, duly attested, for settlement. H. R. MEGARGEL, Admr. Sterling, Pa., Jan. 14, 1913. 5w6

APPRAISEMENTS—Notice is given that appraisement of \$300 to the widows of the following named decedents have been filed in the Orphans' Court of Wayne county, and will be presented for approval on Monday, January 20, 1913—viz: Geo. J. Bergmann, Texas: Personal. Geo. W. Butterworth, Sterling: Personal. W. J. BARNES, Clerk.

**The Ideal Guardian** of the estates of your minor children. It has the very best facilities for the profitable and wise investment and re investment of the principal and accrued income -The Scranton Trust Co. 516 Spruce Street.

Our GOLD TABLETS if used promptly will make short work of a cold.

**O. T. CHAMBERS,** PHARMACIST, Honesdale, Pa.

**HOTEL WAYNE**

**JOHN H. WEAVER,** Proprietor

After an absence of two years from Hotel Wayne, during which time I leased the building to other parties, I now desire to announce to the public that I have again assumed control of Hotel Wayne where I will be pleased to greet my former patrons. The hotel is being thoroughly renovated and placed in first-class condition for the reception of guests. Good table accommodations. Special attention given to transients. Stable in connection with hotel.

**JOHN H. WEAVER**

**The FARMERS and MECHANICS BANK**

HONESDALE, PA.

M. E. SIMONS, President. C. A. EMERY, Cashier.

CAPITAL STOCK - - \$75,000.00

Corner of Main & 10th street

**BANK WITH THE PEOPLE** Watch US Grow

**Reasons Why!**

It represents more stockholders than any other bank in Wayne county.

ITS DEPOSITS HAVE REACHED OVER THE \$300,000.00

mark and is steadily growing with the people's confidence and the bank's progressive yet conservative methods.

Its expense of management is limited to amount of business; together with its trust funds invested in bonds and first mortgages on improved real estate assures its depositors absolute security.

It treats its hundreds of small depositors with the same courtesy as though their funds were deposited by one or more persons.

This bank comes under the strict requirements of the State banking laws as all savings banks and is frequently visited by the Pennsylvania State bank examiner, besides having a board of directors consisting of sixteen of Wayne county's reliable business men and farmers.

**DIRECTORS:**

M. B. Allen, W. H. Fowler, John Weaver, George C. Abraham, W. B. Guinnip, G. Wm. Sell, J. Sam Brown, M. J. Hanlan, M. E. Simons, Oscar E. Bunnell, John E. Krantz, Fred Stephens, Wm. H. Dunn, Fred W. Kreitner, George W. Tisdell, J. E. Tiffany.