CHAPTER VIII

A CURSE OF BIGNESS

Bigness has been an important factor in the rise of the Money Trust: Big railroad systems, Big industrial trusts, Big public service companies; and as instruments of these Big banks and Big trust companies. J. P. Morgan & Co. (in their letter of defence to the Pujo Committee) urge the needs of Big Business as the justification for financial concentration. They declare that what they euphemistically call "coöperation" is "simply a further result of the necessity for handling great transactions"; that "the country obviously requires not only the larger individual banks, but demands also that those banks shall coöperate to perform efficiently the country's business"; and that "a step backward along this line would mean a halt in industrial progress that would affect every wage-earner from the Atlantic to the Pacific." The phrase "great transactions" is used by the bankers apparently as meaning large corporate security issues.

Leading bankers have undoubtedly coöperated during the last 15 years in floating some very

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large security issues, as well as many small ones. But relatively few large issues were made necessary by great improvements undertaken or by industrial development. Improvements and development ordinarily proceed slowly. For them, even where the enterprise involves large expenditures, a series of smaller issues is usually more appropriate than single large ones. This is particularly true in the East where the building of new railroads has practically ceased. The "great" security issues in which bankers have coöperated were, with relatively few exceptions, made either for the purpose of effecting combinations or as a consequence of such combinations. Furthermore, the combinations which made necessary these large security issues or underwritings were, in most cases, either contrary to existing statute law, or contrary to laws recommended by the Interstate Commerce Commission, or contrary to the laws of business efficiency. So both the financial concentration and the combinations which they have served were, in the main, against the public interest. Size, we are told, is not a crime. But size may, at least, become noxious by reason of the means through which it was attained or the uses to which it is put. And it is size attained by

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combination, instead of natural growth, which has contributed so largely to our financial concentration. Let us examine a few cases:

THE HARRIMAN PACIFICS

J. P. Morgan & Co., in urging the "need of large banks and the coöperation of bankers," said:

"The Attorney-General's recent approval of the Union Pacific settlement calls for a single commitment on the part of bankers of $126,000,000."

This $126,000,000 "commitment" was not made to enable the Union Pacific to secure capital. On the contrary it was a guaranty that it would succeed in disposing of its Southern Pacific stock to that amount. And when it had disposed of that stock, it was confronted with the serious problem—what to do with the proceeds? This huge underwriting became necessary solely because the Union Pacific had violated the Sherman Law. It had acquired that amount of Southern Pacific stock illegally; and the Supreme Court of the United States finally decreed that the illegality cease. This same illegal purchase had been the occasion, twelve years earlier, of another "great transaction,"—the issue of a $100,000,000 of Union Pacific bonds, which were

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sold to provide funds for acquiring this Southern Pacific and other stocks in violation of law. Bankers "coöperated" also to accomplish that.

UNION PACIFIC IMPROVEMENTS

The Union Pacific and its auxiliary lines (the Oregon Short Line, the Oregon Railway and Navigation and the Oregon-Washington Railroad) made, in the fourteen years, ending June 30, 1912, issues of securities aggregating $375,158,183 (of which $46,500,000 were refunded or redeemed); but the large security issues served mainly to supply funds for engaging in illegal combinations or stock speculation. The extraordinary improvements and additions that raised the Union Pacific Railroad to a high state of efficiency were provided mainly by the net earnings from the operation of its railroads. And note how great the improvements and additions were: Tracks were straightened, grades were lowered, bridges were rebuilt, heavy rails were laid, old equipment was replaced by new; and the cost of these was charged largely as operating expense. Additional equipment was added, new lines were built or acquired, increasing the system by 3524 miles of line, and still other improvements and betterments were made and charged to capital

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account. These expenditures aggregated $191,-512,328. But it needed no "large security issues" to provide the capital thus wisely expended. The net earnings from the operations of these railroads were so large that nearly all these improvements and additions could have been made without issuing on the average more than $1,000,000 a year of additional securities for "new money," and the company still could have paid six per cent. dividends after 1906 (when that rate was adopted). For while $13,679,452 a year, on the average, was charged to Cost of Road and Equipment, the surplus net earnings and other funds would have yielded, on the average, $12,750,982 a year available for improvements and additions, without raising money on new security issues.

HOW THE SECURITY PROCEEDS WERE SPENT

The $375,000,000 securities (except to the extent of about $13,000,000 required for improvements, and the amounts applied for refunding and redemptions) were available to buy stocks and bonds of other companies. And some of the stocks so acquired were sold at large profits, providing further sums to be employed in stock purchases.

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The $375,000,000 Union Pacific Lines security issues, therefore, were not needed to supply funds for Union Pacific improvements; nor did these issues supply funds for the improvement of any of the companies in which the Union Pacific invested (except that certain amounts were advanced later to aid in financing the Southern Pacific). *They served, substantially, no purpose save to transfer the ownership of railroad stocks from one set of persons to another.*

Here are some of the principal investments:

1. $91,657,500, in acquiring and financing the Southern Pacific.
2. $89,391,401, in acquiring the Northern Pacific stock and stock of the Northern Securities Co.
3. $45,466,960, in acquiring Baltimore & Ohio stock.
4. $37,692,256, in acquiring Illinois Central stock.
5. $23,205,679, in acquiring New York Central stock.
6. $10,395,000, in acquiring Atchison, Topeka & Santa Fe stock.
7. $8,946,781, in acquiring Chicago & Alton stock.
8. $11,610,187, in acquiring Chicago, Milwaukee & St. Paul stock.
9. $6,750,423, in acquiring Chicago & Northwestern stock.
10. $6,936,696, in acquiring Railroad Securities Co. stock (Illinois Central stock.)

The immediate effect of these stock acquisitions, as stated by the Interstate Commerce Commission in 1907, was merely this:

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"Mr. Harriman may journey by steamship from New York to New Orleans, thence by rail to San Francisco, across the Pacific Ocean to China, and, returning by another route to the United States, may go to Ogden by any one of three rail lines, and thence to Kansas City or Omaha, without leaving the deck or platform of a carrier which he controls, and without duplicating any part of his journey.

"He has further what appears to be a dominant control in the Illinois Central Railroad running directly north from the Gulf of Mexico to the Great Lakes, parallel to the Mississippi River; and two thousand miles west of the Mississippi he controls the only line of railroad parallel to the Pacific Coast, and running from the Colorado River to the Mexican border. . . .

"The testimony taken at this hearing shows that about fifty thousand square miles of territory in the State of Oregon, surrounded by the lines of the Oregon Short Line Railroad Company, the Oregon Railroad and Navigation Company, and the Southern Pacific Company, is not developed. While the funds of those companies which could be used for that purpose are being invested in stocks like the New York Central and other lines having only a remote

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relation to the territory in which the Union Pacific System is located."

Mr. Harriman succeeded in becoming director in 27 railroads with 39,354 miles of line; and they extended from the Atlantic to the Pacific; from the Great Lakes to the Gulf of Mexico.

THE AFTERMATH

On September 9, 1909, less than twelve years after Mr. Harriman first became a director in the Union Pacific, he died from overwork at the age of 61. But it was not death only that had set a limit to his achievements. The multiplicity of his interests prevented him from performing for his other railroads the great services that had won him a world-wide reputation as manager and rehabilitator of the Union Pacific and the Southern Pacific. Within a few months after Mr. Harriman's death the serious equipment scandal on the Illinois Central became public, culminating in the probable suicide of one of the vice-presidents of that company. The Chicago & Alton (in the management of which Mr. Harriman was prominent from 1899 to 1907, as President, Chairman of the Board, or Executive Committeeman), has never regained the prosperity it enjoyed before he and his associates

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acquired control. The Père Marquette has passed again into receiver's hands. Long before Mr. Harriman's death the Union Pacific had disposed of its Northern Pacific stock, because the Supreme Court of the United States declared the Northern Securities Company illegal, and dissolved the Northern Pacific-Great Northern merger. Three years after his death, the Supreme Court of the United States ordered the Union Pacific-Southern Pacific merger dissolved. By a strange irony, the law has permitted the Union Pacific to reap large profits from its illegal transactions in Northern Pacific and Southern Pacific stocks. But many other stocks held "as investments" have entailed large losses. Stocks in the Illinois Central and other companies which cost the Union Pacific $129,894,-991.72, had on November 15, 1913, a market value of only $87,851,500; showing a shrinkage of $42,043,491.72 and the average income from them, while held, was only about 4.30 per cent. on their cost.

A BANKERS' PARADISE

Kuhn, Loeb & Co. were the Union Pacific bankers. It was in pursuance of a promise which Mr. Jacob H. Schiff—the senior partner—had

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given, pending the reorganization, that Mr. Harriman first became a member of the Executive Committee in 1897. Thereafter combinations grew and crumbled, and there were vicissitudes in stock speculations. But the investment bankers prospered amazingly; and financial concentration proceeded without abatement. The bankers and their associates received the commissions paid for purchasing the stocks which the Supreme Court holds to have been acquired illegally—and have retained them. The bankers received commissions for underwriting the securities issued to raise the money with which to buy the stocks which the Supreme Court holds to have been illegally acquired, and have retained them. The bankers received commissions paid for floating securities of the controlled companies—while they were thus controlled in violation of law—and have, of course, retained them. Finally when, after years, a decree is entered to end the illegal combination, these same bankers are on hand to perform the services of undertaker—and receive further commissions for their banker-aid in enabling the law-breaking corporation to end its wrong doing and to comply with the decree of the Supreme Court. And yet, throughout nearly all this long period, both before and after Mr.

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Harriman's death, two partners in Kuhn, Loeb & Co. were directors or members of the executive committee of the Union Pacific; and as such must be deemed responsible with others for the illegal acts.

Indeed, these bankers have not only received commissions for the underwritings of transactions accomplished, though illegal; they have received commissions also for merely *agreeing* to underwrite a "great transaction" which the authorities would not permit to be *accomplished*. The $126,000,000 underwriting (that "single commitment on the part of bankers" to which J. P. Morgan & Co. refer as being called for by "the Attorney General's approval of the Union Pacific settlement") never became effective; because the Public Service Commission of California refused to approve the terms of settlement. But the Union Pacific, nevertheless, paid the Kuhn Loeb Syndicate a large underwriting fee for having been ready and willing "to serve," should the opportunity arise: and another underwriting commission was paid when the Southern Pacific stock was finally distributed, with the approval of Attorney General McReynolds, under the Court's decree. Thus the illegal purchase of Southern Pacific stock yielded directly four

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crops of commissions; two when it was acquired, and two when it was disposed of. And during the intervening period the illegally controlled Southern Pacific yielded many more commissions to the bankers. For the schedules filed with the Pujo Committee show that Kuhn, Loeb & Co. marketed, in addition to the Union Pacific securities above referred to, $334,000,000 of Southern Pacific and Central Pacific securities between 1903 and 1911.

The aggregate amount of the commissions paid to these bankers in connection with Union Pacific-Southern Pacific transactions is not disclosed. It must have been very large; for not only were the transactions "great"; but the commissions were liberal. The Interstate Commerce Commission finds that bankers received about 5 per cent. on the purchase price for buying the first 750,000 shares of Southern Pacific stock; and the underwriting commission on the first $100,000,000 Union Pacific bonds issued to make that and other purchases was $5,000,000. How large the two underwriting commissions were which the Union Pacific paid in effecting the severance of this illegal merger, both the company and the bankers have declined to disclose. Furthermore the Interstate Commerce Com-

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mission showed, clearly, while investigating the Union Pacific's purchase of the Chicago & Alton stock, that the bankers' profits were by no means confined to commissions.

THE BURLINGTON

Such railroad combinations produce injury to the public far more serious than the heavy tax of bankers' commissions and profits. For in nearly every case the absorption into a great system of a theretofore independent railroad has involved the loss of financial independence to some community, property or men, who thereby become subjects or satellites of the Money Trust. The passing of the Chicago, Burlington & Quincy, in 1901, to the Morgan associates, presents a striking example of this process.

After the Union Pacific acquired the Southern Pacific stock in 1901, it sought control, also, of the Chicago, Burlington & Quincy,—a most prosperous railroad, having then 7912 miles of line. The Great Northern and Northern Pacific recognized that Union Pacific control of the Burlington would exclude them from much of Illinois, Missouri, Wisconsin, Kansas, Nebraska, Iowa, and South Dakota. The two northern

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roads, which were already closely allied with each other and with J. P. Morgan & Co., thereupon purchased for $215,227,000, of their joint 4 per cent. bonds, nearly all of the $109,324,000 (par value) outstanding Burlington stock. A struggle with the Union Pacific ensued which yielded soon to "harmonious coöperation." The Northern Securities Company was formed with $400,000,000 capital, thereby merging the Great Northern, the Northern Pacific and the Burlington, and joining the Harriman, Kuhn-Loeb, with the Morgan-Hill interests. Obviously neither the issue of $215,000,000 joint 4's, nor the issue of the $400,000,000 Northern Securities stock supplied one dollar of funds for improvements of, or additions to, any of the four great railroad systems concerned in these "large transactions." *The sole effect of issuing* $615,000,000 *of securities was to transfer stock from one set of persons to another*. And the resulting "harmonious cooperation" was soon interrupted by the government proceedings, which ended with the dissolution of the Northern Securities Company. But the evil done outlived the combination. The Burlington had passed forever from its independent Boston owners to the Morgan allies, who remain in control.

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The Burlington—one of Boston's finest achievements—was the creation of John M. Forbes. He was a builder; not a combiner, or banker, or wizard of finance. He was a simple, hard-working business man. He had been a merchant in China at a time when China's trade was among America's big business. He had been connected with shipping and with manufactures. He had the imagination of the great merchant; the patience and perseverance of the great manufacturer; the courage of the sea-farer; and the broad view of the statesman. Bold, but never reckless; scrupulously careful of other people's money, he was ready, after due weighing of chances, to risk his own in enterprises promising success. He was in the best sense of the term, a great adventurer. Thus equipped, Mr. Forbes entered, in 1852, upon those railroad enterprises which later developed into the Chicago, Burlington & Quincy. Largely with his own money and that of friends who confided in him, he built these railroads and carried them through the panic of '57, when the "great banking houses" of those days lacked courage to assume the burdens of a struggling ill-constructed line, staggering under financial difficulties.

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Under his wise management, and that of the men whom he trained, the little Burlington became a great system. It was "built on honor," and managed honorably. It weathered every other great financial crisis, as it did that of 1857. It reached maturity without a reorganization or the sacrifice of a single stockholder or bondholder.

Investment bankers had no place on the Burlington Board of Directors; nor had the banker-practice, of being on both sides of a bargain. "I am unwilling," said Mr. Forbes, early in his career, "to run the risk of having the imputation of buying from a company in which I am interested." About twenty years later he made his greatest fight to rescue the Burlington from the control of certain contractor-directors, whom his biographer, Mr. Pearson, describes as "persons of integrity, who had conceived that in their twofold capacity as contractors and directors they were fully able to deal with themselves justly." Mr. Forbes thought otherwise. The stockholders, whom he had aroused, sided with him and he won.

Mr. Forbes was the pioneer among Boston railroad-builders. His example and his success inspired many others, for Boston was not lacking

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then in men who were builders, though some lacked his wisdom, and some his character. Her enterprise and capital constructed, in large part, the Union Pacific, the Atchison, the Mexican Central, the Wisconsin Central, and 24 other railroads in the West and South. One by one these western and southern railroads passed out of Boston control; the greater part of them into the control of the Morgan allies. Before the Burlington was surrendered, Boston had begun to lose her dominion, even, over the railroads of New England. In 1900 the Boston & Albany was leased to the New York Central,—a Morgan property; and a few years later, another Morgan railroad—the New Haven—acquired control of nearly every other transportation line in New England. Now nothing is left of Boston's railroad dominion in the West and South, except the Eastern Kentucky Railroad—a line 36 miles long; and her control of the railroads of Massachusetts is limited to the Grafton & Upton with 19 miles of line and the Boston, Revere Beach & Lynn,—a passenger road 13 miles long.

THE NEW HAVEN MONOPOLY

The rise of the New Haven Monopoly presents another striking example of combination as a

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developer of financial concentration; and it illustrates also the use to which "large security issues" are put.

In 1892, when Mr. Morgan entered the New Haven directorate, it was a very prosperous little railroad with capital liabilities of $25,000,000 paying 10 per cent. dividends, and operating 508 miles of line. By 1899 the capitalization had grown to $80,477,600, but the aggregate mileage had also grown (mainly through merger or leases of other lines) to 2017. Fourteen years later, in 1913, when Mr. Morgan died and Mr. Mellen resigned, the mileage was 1997, just 20 miles less than in 1899; but the capital liabilities had increased to $425,935,000. Of course the business of the railroad had grown largely in those fourteen years; the road-bed was improved, bridges built, additional tracks added, and much equipment purchased; and for all this, new capital was needed; and additional issues were needed, also, because the company paid out in dividends more than it earned. But of the capital increase, over $200,000,000 was expended in the acquisition of the stock or other securities of some 121 other railroads, steamships, street railway-, electric-light-, gas- and water-companies. It was these outside proper-

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ties, which made necessary the much discussed $67,000,000, 6 per cent. bond issue, as well as other large and expensive security issues. For in these fourteen years the improvements on the railroad including new equipment have cost, on the average, only $10,000,000 a year.

THE NEW HAVEN BANKERS

Few, if any, of those 121 companies which the New Haven acquired had, prior to their absorption by it, been financed by J. P. Morgan & Co. The needs of the Boston & Maine and Maine Central—the largest group—had, for generations, been met mainly through their own stockholders or through Boston banking houses. No investment banker had been a member of the Board of Directors of either of those companies. The New York, Ontario & Western—the next largest of the acquired railroads—had been financed in New York, but by persons apparently entirely independent of the Morgan allies. The smaller Connecticut railroads, now combined in the Central New England, had been financed mainly in Connecticut, or by independent New York bankers. The financing of the street railway companies had been done largely by individual financiers, or

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by small and independent bankers in the states or cities where the companies operate. Some of the steamship companies had been financed by their owners, some through independent bankers. As the result of the absorption of these 121 companies into the New Haven system, the financing of all these railroads, steamship companies, street railways, and other corporations, was made tributary to J. P. Morgan & Co.; and the independent bankers were eliminated or became satellites. *And this financial concentration was proceeded with, although practically every one of these* 121 *companies was acquired by the New Haven in violation either of the state or federal law, or of both.* Enforcement of the Sherman Act will doubtless result in dissolving this unwieldy illegal combination.

THE COAL MONOPOLY

Proof of the "coöperation" of the anthracite railroads is furnished by the ubiquitous presence of George F. Baker on the Board of Directors of the Reading, the Jersey Central, the Lackawanna, the Lehigh, the Erie, and the New York, Susquehanna & Western railroads, which together control nearly all the unmined anthracite as well as the actual tonnage. These roads have

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been an important factor in the development of the Money Trust. They are charged by the Department of Justice with fundamental violations both of the Sherman Law and of the Commodity clause of the Hepburn Act, which prohibits a railroad from carrying, in interstate trade, any commodity in which it has an interest, direct or indirect. Nearly every large issue of securities made in the last 14 years by any of these railroads (except the Erie), has been in connection with some act of combination. The combination of the anthracite railroads to suppress the construction, through the Temple Iron Company, of a competing coal road, has already been declared illegal by the Supreme Court of the United States. And in the bituminous coal field—the Kanawha District—the United States Circuit Court of Appeals has recently decreed that a similar combination by the Lake Shore, the Chesapeake & Ohio, and the Hocking Valley, be dissolved.

OTHER RAILROAD COMBINATIONS

The cases of the Union Pacific and of the New Haven are typical—not exceptional. Our railroad history presents numerous instances of large security issues made wholly or mainly to effect

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combinations. Some of these combinations have been proper as a means of securing natural feeders or extensions of main lines. But far more of them have been dictated by the desire to suppress active or potential competition; or by personal ambition or greed; or by the mistaken belief that efficiency grows with size.

Thus the monstrous combination of the Rock Island and the St. Louis and San Francisco with over 14,000 miles of line is recognized now to have been obviously inefficient. It was severed voluntarily; but, had it not been, must have crumbled soon from inherent defects, if not as a result of proceedings under the Sherman law. Both systems are suffering now from the effects of this unwise combination; the Frisco, itself greatly overcombined, has paid the penalty in receivership. The Rock Island—a name once expressive of railroad efficiency and stability—has, through its excessive recapitalizations and combinations, become a football of speculators, and a source of great apprehension to confiding investors. The combination of the Cincinnati, Hamilton and Dayton, and the Père Marquette led to several receiverships.

There are, of course, other combinations which have not been disastrous to the owners of

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the railroads. But the fact that a railroad combination has not been disastrous does not necessarily justify it. The evil of the concentration of power is obvious; and as combination necessarily involves such concentration of power, the burden of justifying a combination should be placed upon those who seek to effect it.

For instance, what public good has been subserved by allowing the Atlantic Coast Line Railroad Company to issue $50,000,000 of securities to acquire control of the Louisville & Nashville Railroad—a widely extended, self-sufficient system of 5000 miles, which, under the wise management of President Milton H. Smith had prospered continuously for many years before the acquisition; and which has gross earnings nearly twice as large as those of the Atlantic Coast Line. The legality of this combination has been recently challenged by Senator Lea; and an investigation by the Interstate Commerce Commission has been ordered.

THE PENNSYLVANIA

The reports from the Pennsylvania suggest the inquiry whether even this generally well-managed railroad is not suffering from excessive bigness. After 1898 it, too, bought, in large amounts,

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stocks in other railroads, including the Chesapeake & Ohio, the Baltimore & Ohio, and the Norfolk & Western. In 1906 it sold all its Chesapeake & Ohio stock, and a majority of its Baltimore & Ohio and Norfolk & Western holdings. Later it reversed its policy and resumed stock purchases, acquiring, among others, more Norfolk & Western and New York, New Haven & Hartford; and on Dec. 31, 1912, held securities valued at $331,909,154.32; of which, however, a large part represents Pennsylvania System securities. These securities (mostly stocks) constitute about one-third of the total assets of the Pennsylvania Railroad. The income on these securities in 1912 averaged only 4.30 per cent. on their valuation, while the Pennsylvania paid 6 per cent. on its stock. But the cost of carrying these foreign stocks is not limited to the difference between this income and outgo. To raise money on these stocks the Pennsylvania had to issue its own securities; and there is such a thing as an over-supply even of Pennsylvania securities. Over-supply of any stock depresses market values, and increases the cost to the Pennsylvania of raising new money. Recently came the welcome announcement of the management that it will dispose of its stocks in the anthracite

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coal mines; and it is intimated that it will divest itself also of other holdings in companies (like the Cambria Steel Company) extraneous to the business of railroading. This policy should be extended to include the disposition also of all stock in other railroads (like the Norfolk & Western, the Southern Pacific and the New Haven) which are not a part of the Pennsylvania System.

RECOMMENDATIONS

Six years ago the Interstate Commerce Commission, after investigating the Union Pacific transaction above referred to, recommended legislation to remedy the evils there disclosed. Upon concluding recently its investigation of the New Haven, the Commission repeated and amplified those recommendations, saying:

"No student of the railroad problem can doubt that a most prolific source of financial disaster and complication to railroads in the past has been the desire and ability of railroad managers to engage in enterprises outside the legitimate operation of their railroads, especially by the acquisition of other railroads and their securities. The evil which results, first, to the investing public, and, finally, to the general public, cannot be corrected after the transaction

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has taken place; it can be easily and effectively prohibited. In our opinion the following propositions lie at the foundation of all adequate regulation of interstate railroads:

1. Every interstate railroad should be prohibited from spending money or incurring liability or acquiring property not in the operation of its railroad or in the legitimate improvement, extension, or development of that railroad.

2. No interstate railroad should be permitted to lease or purchase any other railroad, nor to acquire the stocks or securities of any other railroad, nor to guarantee the same, directl or indirectly, without the approval of the federal government.

3. No stocks or bonds should be issued by an interstate railroad except for the purposes sanctioned in the two preceding paragraphs, and none should be issued without the approval of the federal government.

It may be unwise to attempt to specify the price at which and the manner in which railroad stocks and securities shall be disposed of; but it is easy and safe to define the purpose for which they may be issued and to confine the expenditure of the money realized to that purpose."

These recommendations are in substantial accord with those adopted by the National

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Association of Railway Commissioners. They should be enacted into law. And they should be supplemented by amendments of the Commodity Clause of the Hepburn Act, so that:

1. Railroads will be effectually prohibited from owning stock in corporations whose products they transport;

2. Such corporations will be prohibited from owning important stockholdings in railroads; and

3. Holding companies will be prohibited from controlling, as does the Reading, both a railroad and corporations whose commodities it transports.

If laws such as these are enacted and duly enforced, we shall be protected from a recurrence of tragedies like the New Haven, of domestic scandals like the Chicago and Alton, and of international ones like the Frisco. We shall also escape from that inefficiency which is attendant upon excessive size. But what is far more important, we shall, by such legislation, remove a potent factor in financial concentration. Decentralization will begin. The liberated smaller units will find no difficulty in financing their needs without bowing the knee to money lords. And a long step will have been taken toward attainment of the New Freedom.

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