

LEFT GAYNOR A BIG DEBT BURDEN CITY'S FINANCES FOR 1909 JUGGLED.

Controller's Annual Report Will Prove Illegal Bond Issues.

Facts contained in the Controller's annual report for 1909, which will be published at the end of the present month, will reveal the existence of \$33,755,244 of unpaid revenue bonds issued by the last administration in violation of the city charter. This is one of the legacies which Controller Metz's financial mismanagement has left to Controller Prendergast.

The same facts also will show that \$6,378,015 obtained from the sale of corporate stock has been misused, and that by means of a policy of robbing Peter to pay Paul budget accounts are made to show a surplus of \$6,867,892 for the twelve months.

With the amount illegally taken from corporate stock proceeds and the fictitious surplus of budget accounts that should have been used to pay budget bills, the city's floating debt in the shape of unpaid revenue bonds was reduced from \$74,096,600 at the end of 1908 to \$68,367,290 at the end of 1909. This reduction of \$12,639,310 in the city's revenue bond debt is nothing more than a shifting of the burden to the shoulders of the present administration, for every dollar taken from corporate stock proceeds will have to be returned and the budget bills evaded last year to create a surplus will have to be paid during the present and future years.

SURPLUS AT YEAR'S END. The Controller's report will show that the cash receipts of the city treasury for 1909 were \$375,187,113. The balance of cash that came over from 1908 was \$23,927,548, so that the total available revenues for 1909 were \$399,114,661. The actual cash expenditures for the twelve months were \$386,528,545, leaving a balance of cash to the credit of the city treasury of \$12,586,116 at the end of last year.

The weekly cash accounts of the City Chamberlain, published in one City Record, demonstrate that the receipts from the sale of corporate stock, assessment bonds and special and trust revenues were \$95,272,568. The part of the cash balance that came over from 1908 which belonged to these accounts was \$6,524,621, so that the total available receipts of permanent improvement accounts in 1909 were \$101,797,189. The expenditures on permanent improvements and the disbursement of special and trust revenues were \$118,822,495, so that there was a cash balance to the credit of these accounts at the end of last year amounting to \$18,974,694.

The receipts of budget accounts from taxes collected, from the revenues of the general fund and from the sale of special revenue bonds were \$279,914,694. The part of the cash balance that came over from 1908 which belonged to these accounts was \$15,413,427, so that the available revenues of budget accounts in 1909 were \$295,328,121. The expenditures on budget appropriations and for emergency budget accounts were \$301,706,950, so that there was a debit balance of \$6,378,015 against budget accounts at the end of 1909. This deficit was met by diverting \$6,877,915 from the surplus receipts of permanent improvement accounts and using it for that purpose.

This was an absolute violation of the explicit terms of the charter. Details of these receipts and expenditures of these accounts show that the amount was taken from the proceeds of the sale of corporate stock bonds during the year. The method by which the last city administration sought to make it appear that the city's revenue bond debt had been reduced by \$12,639,310 during 1909 is revealed by the figures given in the Chamberlain's cash accounts. These figures show that the apparent reduction was nothing more than a shifting of the debt burden so that it will have to be met by the present administration. Excluding all revenue bond transactions, the receipts of budget accounts in 1909, including the cash balance that came over from the year previous to their credit, were \$167,421,542. The expenditures upon budget appropriations and emergency budget account were \$169,612,250. From their own legitimate revenues, therefore, budget accounts not only met all payments on account of the cost of city government, but had a cash balance of \$6,867,892 to their credit at the end of the year.

MIRACLE IN FINANCE The manner in which this miracle in high finance was accomplished is demonstrated by the official records. There were unpaid at the end of 1907 only \$9,382,295 of that year's budget appropriations. There were unpaid at the end of 1908 only \$9,722,551 of that year's budget appropriations. But at the end of 1909 there were still unpaid \$12,586,116 of that year's budget appropriations. Every dollar of these unpaid appropriations will, of course, have to be met by the new city administration during the present and future years. The surplus which budget accounts is represented to have had on hand at the end of last year was, therefore, secured by the very simple process of leaving budget bills unpaid.

The purpose for which these two ill-gotten surpluses were used is disclosed by an examination of the revenue bond transactions during 1909, as given in the Chamberlain's cash accounts. There were sold of revenue bonds issued in anticipation of the collection of the years' taxes \$104,547,750, and there were redeemed of the same kind of bonds \$75,316,990. This produced \$29,230,760, not a dollar of which was used to pay budget appropriations. There were sold of revenue bonds issued in anticipation of the collection of arrears of taxes levied prior to 1909 during that year \$17,865,600. To this amount must be added \$2,222,409, part of the cash balance that came over from 1908 required to pay warrants drawn in that year for the redemption

PROCTOR GIFT LOST.

Offer of Half Million to Princeton Is Withdrawn.

Cincinnati, Feb. 6.—William C. Proctor announced to-night that he had withdrawn his offer of \$500,000 for the proposed graduate college of Princeton University. The offer was made last May with the understanding that an additional \$500,000 was to be raised by May 1, 1910.

Mr. Proctor said to-night that his offer had been unconditionally withdrawn on account of his inability to agree with the views entertained by President Woodrow Wilson and members of the Princeton faculty as to the scope and institution of the graduate college. He declared that the matter had been under discussion now for six years, but that there did not appear to be any likelihood of a definite plan being agreed upon.

The gift of William Cooper Proctor was offered on the condition that the graduate school be built off the campus. This condition was, in the opinion of some persons, in direct opposition to the condition of a similar gift by the will of Mrs. Thomas Swann, three or four years ago. President Wilson, it was understood, favored the erection of the graduate school on the campus, according to the terms of Mrs. Swann's will.

Leading alumni have recently expressed the view that if President Wilson failed to accept the \$500,000 for the graduate school he would alienate many of the most generous contributors to the university.

C. P. TAFT AND SCHWAB

Together They Will Spend \$5,000,000 at Bethlehem.

[By Telegraph to The Tribune.] South Bethlehem, Penn., Feb. 6.—In spite of the serious strike of machinists at the Bethlehem Steel Works, Charles M. Schwab is going ahead with plans for the enlargement of the works, and it is now announced that, with Charles P. Taft as a partner, he will establish a \$5,000,000 fabricating plant on the Monocacy, a short distance north of Bethlehem.

COLDEST OF ALL.

Mercury Coasts Down Suddenly and Chills the City.

Whew-w-w! With winged feet the mercury slid down the tube yesterday until, at 10 o'clock last night, it had established the record for the winter, only 4 above zero. On January 4 and 5 the thermometer registered 5 degrees above zero, but yesterday was the climax. The descent was gradual, for just as yesterday was a-borning the temperature was 25 degrees above. The mean yesterday was 13 degrees; on Saturday it was 20.

At 2 o'clock this morning thermometers in Park Row recorded a temperature of 2 degrees above zero. It fell as if it was still falling. In addition there was a high wind yesterday that shot through and through the overcoat, the coat and other things, clear to the skin. The velocity last night at 10 o'clock was twenty-five miles an hour, but at twilight it was much higher, blowing almost a 45-mile gale.

This, of course, added to the cruelty of the cold, and pedestrians ceased to be pedestrians—they ran for shelter and the subway. The very few that found any pleasure in the day, were some skaters, who thronged out to the parks, glad that the red ball was up.

The Weather Bureau promises fair and colder weather to-day, a prospect which is only relieved by the promise that to-morrow will be cloudy and warmer. High north winds are due for to-day and to-morrow, with a special warning of a northwest storm. The extreme cold drove hundreds of men and many women to the doors of the Municipal Lodging House to apply for shelter. None of the applicants was turned away, and when bedtime arrived 572 men, 20 women and 6 children were entered on the books.

New Haven, Feb. 6.—What promises to be the coldest weather of the season is being experienced here to-night. At midnight the mercury was two below zero and a piercing northwest wind blowing.

Middletown, N. Y., Feb. 6.—The most severe weather of the winter prevailed here to-day and to-night. A piercing wind is blowing and the mercury touched 7 degrees below zero to-night.

Interlaken, N. Y., Feb. 6.—An old-fashioned blizzard prevailed here all day, which drifted heavy. The mercury stood at 1 degree below zero this morning, and did not go to more than 4 above all day.

Utica, N. Y., Feb. 6.—Thermometers in Utica range from 12 to 14 degrees below zero late to-night and it is believed to be growing colder. At Fulton Chain to-night the mercury was reported to be 11 below at 11 o'clock. The train service is delayed at Camden. The train service is delayed and trains entering Utica are from three to six hours late.

Elmira, N. Y., Feb. 6.—At midnight the thermometer here registered 10 degrees below zero.

CHAMBERLAIN'S OPINION. Predicts Mr. Asquith Will Refuse to Grant Home Rule.

London, Feb. 7.—The Morning Post gives the gist of a conversation had last week with Joseph Chamberlain on the results of the elections. It says that in spite of his illness Mr. Chamberlain showed the same indomitable spirit, the same wide outlook and the bold intellectual grasp of affairs which formerly characterized the statesman.

Mr. Chamberlain attributed all the Unionist gains to the bold advocacy of tariff reform and said that the Unionists feared worst where the local leaders were vacillating and timid.

"Mr. Asquith," he continued, "will not just as hard taskmasters, but he will get out of them Home Rule; he will get out of it somehow."

Mr. Chamberlain declined to say what his own policy would be in regard to the Lords, but thought that the Unionists ought to aim at the strengthening of its upper house by the reform of its constitution. He was strongly against the Unionist party making any effort to obtain the support of either the Labor or Irish parties.

In conclusion, he emphatically asserted the necessity of having either a full imperial policy of tariff reform or nothing.

EAST SIDE SHOD

"BIG TIM" SULLIVAN GIVES AWAY SHOES.

Lame, Halt and Blind in Line —Legless Man Gets a Pair —5,000 Tickets Issued.

When "Johnny" Fitzgerald, leader of the "3d," and Alderman "Johnny" White went down the line of castaways waiting for "Big Tim" Sullivan's annual gift of shoes yesterday in front of the headquarters of the Sullivan clan, on the Bowery, they picked out for first service the halt, the lame and the blind.

Many a limping leg and many a half-closed eye appeared and developed alarming symptoms right in front of the leaders, but these two philosophers of the Bowery were not to be deceived by the sudden apparent lameness or tragedy, for they knew well that with those who were not fortunate enough to have a place among the first hundred or so it was a usual trick to develop the trouble so they would be picked for the first batch to be given shoes.

Thirty-odd honestly lame and blind were finally lined up and marched or dragged their way up the steps ahead of even the first men in line, and not until these unfortunates were fitted out were the "regulars" permitted to get by the door.

Midway in the first line of partly lame and blind wretches was a cheerful face that seemed at first glance to be that of a boy, a stray Bowery "kid" who had somehow got mixed up with the three thousand wrecks who were for the most part upward of thirty-five years old. Closer inspection, however, disclosed that the cheerful face was built on a stumpy body from which the legs had been torn in some accident, and in place of the missing parts the man had a little square platform on small wheels, on which he propelled himself by the aid of a pair of scuppers on his hands.

"What's your name, boy?" queried "Joe" Dunn, leader of the Mulligan Club. "Just 'Stumpy Bill' boss."

"Huh—well, what'll you do with a pair of shoes, or socks, either, for that matter?" "Stumpy Bill" looked mournfully at his little platform.

"Couldn't use 'em much myself, boss, and that's a fact," he said, "but 'y' see, I jus' heard you were givin' 'em away, an' I thought I'd get a pair for me pal. He's sick and he'll need 'em when he gets out lookin' for work."

"STUMPY BILL" GETS A PAIR. "It's ten to one," Dunn explained to Police Lieutenant "Mike" Summers, who was helping out on his day off by keeping the men in line, "that he wants to sell them, but the 'Big Fellow' says he don't blame them, 'cause you certainly can't eat shoes, so I guess we'll let him have them."

"Got your ticket, 'Stumpy'?" he asked the abbreviated specimen before him. But that only served to stir up more trouble, because "Stumpy" said he hadn't heard anything about tickets, didn't know any one had to have a ticket.

"'Wot is this, a the-nyer?" he asked, with a sneer. "Me pal told me that 'Big Tim' Sullivan said he was 'goin' to give every man what wanted 'em a pair of shoes, an' no youse say 'ticked.' D'you have to buy tickets?"

So they took "Stumpy Bill" off in a corner, and told of a man to explain that if they didn't have tickets there might be fifty thousand instead of five thousand men waiting for shoes, and finally they sent him away happy with the regulation pair of brogans and the pair of woolen socks.

It was a long wait for the "regulars" in line outside while the men inside fitted out the thirty cripples, and it was close to 2 o'clock before the long line really got started. Meanwhile, Fitzgerald and White, who were managing the distribution, sent their helpers down the lines that stretched out half way around the block on each side of the door with pails of hot coffee and baskets of buns.

Twenty dozen pairs of shoes and socks were taken out of the first boxes opened and sent to Father Evers's Holy Name Mission and to the Bowers Mission to be handed out later when needed, and then the distribution went forward speedily.

"Big Tim's" henchmen were careful to impress on what few casual callers dropped in to see the workings of the Bowers statesman's scheme that it was his personal charity, and though given in the rooms of the Metamora Club, at No. 207 Bowery, the Sullivan headquarters politically, the club furnished nothing more than the men to handle the distribution and the use of the room.

"LITTLE TIM" MISSED. In other years the late "Little Tim" was usually to be seen around the platform, not taking any part in the distribution, but looking on and frequently talking to one or another in the line of men, talk that customarily ended with a delve into his pockets and the passing of a little change to the unfortunate, or in some cases with a greenback or two.

"Big Tim" was not there yesterday, and his men say that he never drops in when his shoes are being distributed. Nor at the Christmas dinner, either, when these tickets are given out, they said, was the "big fellow" to be seen, except only last Christmas, when he came in for a few minutes because "Little Tim" before he died told him the "boys" ought to see one of them around.

Fitzgerald said they had five thousand pairs of shoes and socks and that there were supposed to be five thousand tickets given out. The supply, however, usually proved to be much larger than the demand, at least the demand on February 6, but the tickets were good for one pair of "Sullivan's" any time they were presented, and they drifted in, he explained, all through the week, a few even holding out till the early spring.

"And thim," he went on, "me always have a few of the boys coming along for their shoes with their tickets in April and May. You see, they show up for the Christmas dinner and get their tickets later."

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MISS DAY TURNS UP

WAS IN STATION HERE, SHE SAYS.

New Haven Girl Sought Work as Waitress Before Coming Here, Says Father.

[By Telegraph to The Tribune.] New Haven, Feb. 6.—Catherine Day, the fifteen-year-old daughter of Arthur H. Day, who ran away from home last week, returned to-day in as remarkable a manner as she left home.

While several relatives and members of the New York Detective Bureau were searching that city for her she quietly made her way from New York to New Haven and surprised her relatives by walking into the house, little the worse for her adventure.

She said she had been in the Grand Central Station from the time she arrived, about 9 o'clock, until this morning, when she took the 10 o'clock express for home. She remembers little about her escape, and the family physician, in whose hands she was placed on her arrival here, says that it is clearly a case of aphasia.

She said that when she left home on Friday morning she intended to run away. She took a trolley to Derby about 9 o'clock, but has forgotten the details of her stay there. Her father has proof, he says, that she visited several boarding houses and asked for work as a waitress.

The Derby station master said that at 4 o'clock on Friday afternoon she asked him what the fare was to Boston. He told her that to get to Boston she must go to New Haven. She took his advice and came back to New Haven by steam cars, waiting here for the next train to New York.

She left here on the 5:40 o'clock train Friday afternoon and asked the conductor so many questions that he thought her a suspicious character and reported to her family yesterday morning that she had been on his train.

The girl insisted that she had not left the Grand Central Station till this morning. She said she slept both nights on the seats for passengers and that she got her food from the station restaurant. This morning, she said, she picked up a New York newspaper which contained her picture and read how much trouble her runaway adventure was making for her relatives. Then she bought a ticket, walked aboard the train and came here without being accosted by any one till she alighted from the trolley car, less than a block from her own home.

The girl cried bitterly and was freely forgiven by her father. Her mother is in a serious condition in a sanatorium here.

She said that on arriving in New York on Friday night she sat in the women's waiting room till after midnight and then asked the matron what time the next train went to New Haven. The matron said that there would be no more trains till morning. The matron to-day corroborated the girl's statement in a talk with Osborn Day, her uncle. The matron, however, insisted that she did not see the girl after that time on Friday night. The station master in New York told Mr. Day that he saw the girl buy a magazine in the Grand Central Station yesterday morning.

The girl returned safe and sound, with no indications of having had a hard time. She says that she ran away because she was tired of going to school. She had refused to go to school for more than a week, it has been learned, and, instead of doing so, went downtown. The girl's relatives say they believe that her story is true.

Some doubt about the truth of the girl's story was expressed last night by officials at the Grand Central Station. They said that no one was allowed to stay in the station after 1:30 a. m. without good reason, and that the presence of a young girl in any part of the building late at night would have attracted the attention of the special officers on duty. None of those on duty last night recalled seeing a girl answering Miss Day's description, and all were positive that she had not spent her nights there.

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MISS DREXEL TO WED.

Engaged to Viscount Maidstone, Heir to an Earldom.

[By Telegraph to The Tribune.] Baltimore, Feb. 6.—A cable message received to-day by relatives in Baltimore from Mr. and Mrs. Anthony J. Drexel, who are in London, announces the engagement of their daughter, Miss Margaretta Armstrong Drexel, to Guy Montagu George Finch-Hatton, Viscount Maidstone, and heir to the Earldom of Winchelsea and Nottingham.

Miss Drexel, whose mother was Miss Rita Armstrong, of Baltimore, is a beautiful girl, and with her mother visited relatives in New York and Philadelphia in November. Her brother, Anthony J. Drexel, Jr., has recently become engaged to Miss Marjorie Gould, daughter of George J. Gould.

BABIES DEFY COURTS.

Constant Arrival Delays Estate Settlement.

St. Louis, Feb. 6.—Babies are arriving so fast in the homes of heirs of the late William A. Hargadine, one of the millionaire founders of the Hargadine-Keckley Drygoods Company, that lawyers and the courts are wondering whether the estate ever will be settled.

Several hundred thousand dollars' worth of real estate is being held in trust to be turned into cash for the beneficiaries. But babies have persistently interposed legal obstacles. These babies have not only defied the courts and lawyers by their advent, they have thwarted the plans of their trustee, who has been striving for three years to get a court settlement. Each time a petition has been filed, however, the announcement of a birth in the family has called all legal process to a halt, for under the law no estate can be settled without entering the appearance of every heir.

FRICK ON BUSINESS.

Says Hesitation Is Due to Groundless Fear.

Augusta, Feb. 6.—Excited imagination and groundless fears are the causes of the hesitation in business activity in the United States. This was the opinion expressed by Henry C. Frick, who has arrived here for a stay of several weeks. Mr. Frick holds that there is no cause for fear, and that "if the people will cease paying attention to the calamity-howling gamblers and demagogues who make capital out of their fears, all will be well."

"It is hard to understand why," he said to-day, "with all the conditions favorable to unprecedented prosperity in this country, there has suddenly appeared a hesitation in activity, particularly upon the part of the railroads and manufacturing establishments.

"If the cause is, as it is generally asserted, a fear of unfriendly legislation at Washington and the drastic enforcement of the anti-trust law against the business organizations of the country, I cannot believe that is a sufficient reason to justify the timidity shown in many quarters. Congress will not legislate any form of property out of existence and court decisions cannot destroy the productiveness of the soil or of legitimate enterprise."

MRS. FORD'S VICTORY.

Jury Fails to Agree After Day's Deliberation.

Cincinnati, Feb. 6.—After twenty-four hours' deliberation, the jury in the case of Mrs. Jeannette Stewart-Ford, charged with blackmailing Charles L. Warriner, defaulting local treasurer of the Big Four Railroad, was unable to reach an agreement and was discharged. Judge Swing stated, after he dismissed the jury, that he had been informed that on the last ballot eight jurors had stood for acquittal and four for conviction.

The unexpected end to the sensational case was explained by two of the jurymen as due to the fact that a majority of their colleagues refused to give credit to the testimony of Warriner. They asserted that a man who had confessed to embezzling for twenty-five years would not hesitate to perjure himself against a woman who, he believed, had been the cause of his exposure.

Prosecutor Hunt announced to-night that he expected to bring the woman to trial again within the next three weeks. At the same time, he intimated that he might abandon the case.

Attorney Thorndyke, who has conducted Mrs. Ford's defense, stated to-night that if his client was placed on trial again he would go to Columbus and demand an investigation by the Legislature into the Big Four shortage. Mr. Thorndyke declares he has sufficient information to persuade Governor Harmon to take up the matter.

SEVEN MEN BLOWN UP Tried to Run Past Dynamite Ready to Explode.

Phoenix, Ariz., Feb. 6.—Heedless of the warning of a foreman in charge of excavating operations along the line of the private motor road from Kelvin to the Ray copper mines, the motorman of a gasoline car containing six civil and seven engineers employed in the mines, were blown to atoms.

The foreman had discovered a missed shot in the excavation and before the motor car came in sight he had relighted the fuse. As the car approached he signalled the motorman and warned him of the impending explosion, but the operator paid no heed to the warning and started again at full speed.

Just as the car was passing the charge the explosion came and the car with its load of human freight was blown high in the air amid a great cloud of debris.

GOLDWIN SMITH STILL ALIVE. Hip Broken—Physicians Say Chance of His Recovery Is Small.

Toronto, Feb. 6.—The condition of Goldwin Smith, who fell at his home, the Grange, here last Saturday, and broke his hip, was unchanged to-night. Attending physicians say that, owing to his advanced age, he has small chance of recovery.

FOR FEDERAL INCORPORATION

Administration Measure Will Be Introduced To-day.

SHERMAN LAW NOT TO BE UPSET

New Plan It Is Believed Will Counteract Decisions Adverse to Business.

[From The Tribune Bureau.] Washington, Feb. 6.—The administration measure providing for the creation of federal corporations for the conduct of interstate and foreign commerce, which the President will hand to the chairmen of the Senate and House Committees on Judiciary, to-morrow, constitutes the most important and, in the opinion of many, the most radical step in the movement for federal control of corporations which has been taken since the enactment, twenty years ago, of the Sherman anti-trust act, the rigors of which the new law is supposed to mitigate in so far as that can be done without violating the spirit or nullifying the purpose of that law.

Briefly, the Wickersham bill provides for the granting of charters to federal corporations whose franchises and privileges will be exempt from other than federal taxation, whose affairs shall be conducted under the supervision of the Commissioner of Corporations, who will enjoy practically the same power over them, including that of appointing a receiver for any found insolvent, as is now exercised by the Controller of the Currency over national banks. The Attorney General has, in fact, drawn largely on the national bank act in preparing the new law. The provisions of the law are calculated effectively to protect the rights of investors and would go far toward insuring the stability of the securities of the proposed corporations.

SUBJECT TO SHERMAN LAW. The proposed federal corporations are made subject to the provisions of the Sherman law; nevertheless they would furnish a lawful means of reorganization for many corporations which may be found to be unlawful under that act. It is essential to a proper understanding of the purpose of the administration to bear in mind its interpretation of the Sherman law and certain correlated facts. The intent of the Sherman law, in the words of President Taft, is the prevention of "the aggregation of capital and plants with the express purpose or implied intent to restrain interstate or foreign commerce, or to monopolize it in whole or in part."

Mr. Taft emphasizes his conviction that merely incidental restraints of trade are not included within the prohibition, but only those which have for their purpose the establishment of a monopoly. The administration confidently expects to be sustained by the Supreme Court in the Tobacco Trust and the Standard Oil cases, and that there will follow the necessity of instituting other prosecutions for similar violations of the Sherman law.

Affirmative decisions in the cases named would bring the Tobacco Trust, the Standard Oil and probably other large corporations face to face, as the President has expressed it, with the necessity of adopting one of three courses—First, they may resolve themselves into their component parts, with consequent loss of capital and effective energy; second, they may attempt to maintain a secret organization and unity of control in defiance of the law and under constant menace of criminal prosecution, and third, they may reorganize under the federal charters he proposes.

MUST NOT ACQUIRE A MONOPOLY. The administration bill clearly forbids a corporation created thereunder to acquire or to hold the stock of another corporation, but it specifically authorizes such federal corporation to acquire by purchase the property of other corporations. By this means a federal corporation could purchase the actual property of the parent and the subsidiary corporations now constituting a trust, but always with the provision that this must not be done to the extent of acquiring a monopoly of any industry. This provision, it will be seen, especially prohibits the acquisition of the control of other corporations by the purchase of a portion of the stock.

The late E. H. Harriman, it will be recalled, testified that he secured absolute control of the Illinois Central Railroad as soon as he had acquired 30 per cent of the stock, it being impossible for his opponents to secure control of another 30 per cent to oppose him. It is, in the opinion of the administration, this requirement of the control of great industrial instrumentalities by artificial means and the resultant monopolies, not the normal centralization of corporate control, which should be prevented.

Of course, federal incorporation is made purely voluntary, and no corporation or individuals need avail themselves of the privileges of the proposed act unless they deem it beneficial to their interests and those they represent to do so. But in addition to the power lawfully to acquire by purchase the properties of a trust, or a considerable part of them, the administration believes the proposed federal charter will offer other advantages, such as the freedom from burdensome and often conflicting state legislation, which has made it little short of impossible for corporations to observe the law throughout the territory in which they did business and has called into being those conjures which have taken the form of subsidiary corporations, the very existence of which arouses suspicion as to the lawfulness of the parent corporation.

Even in the mind of the administration the precise limits to which any corporation may go without violating the Sherman law are not defined. Light on this subject is expected from the forthcoming decisions of the Supreme Court, although it is realized that even now the court may refuse to define the law beyond the point made necessary in re-

cess of \$20,000,000.

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