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EDITORIAL

## THE INSURANCE OCTOPUS.

By DANIEL DE LEON

**T**HE greatest power in the world of finance, greater even than that of the recent combinations of railroads and steel companies, is that exercised by the insurance companies. The influence they wield on the finances of this country surpasses that exercised by any other aggregation of wealth.

Even the Standard Oil Company, holding in its grasp many of the country's greatest financial institutions, is a pigmy as compared with the Insurance Colossus. There is hardly a large bank or trust company in Greater New York that is not under the control, or at least under the influence of the great insurance companies. All of the railroads are more or less subservient to these companies by reason of their large ownership of stocks and bonds. Nearly half of the cities of the United States are debtors to the insurance companies, while the greatest ownership of real estate in the world is vested in them. Moreover, they hold mortgages on property equal to about one-fifth of the assessed valuation of all the real estate on Manhattan Island and in the Bronx.

The insurance companies, which do business in this city, alone have total assets of \$1,576,334,679. They own outright real estate valued at \$151,838,650. They hold mortgages on real estate to the extent of \$461,547,993. They own stocks and bonds, exclusive of United States bonds, whose value aggregates \$724,880,572. They have outstanding collateral loans of \$104,468,947, and they have cash on hand to the amount of \$66,384,175.

It is to their enormous wealth that the foreign countries are now turning for their ready cash. The insurance companies and the banks which they control have provided the money for all the great foreign loans floated in this country since the Spanish war. They now hold the bonds of England, Germany, Russia, France, Austria, Mexico, and many smaller European and American States.

While misled by false appearances into falser conclusions, a set of reformers is asserting that the middle class is growing larger, hence is gaining in political power,

these reformers are wholly blind to the intensification of concentrated power that is going on, and thereby relatively push both the middle and the working class into ever deeper economic powerlessness, and political impotence.

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.  
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