

UNION LABOR REJECTS GOMPERS BRYAN PLEA

Protests Against Attempted Wholesale Delivery of Votes from All Over Country.

Labor Leaders and Press Show that the Democratic Party Has Not Been the Friend of Labor and There Is Nothing to Assure a Conversion.

Men prominent in the trade union movement and scores who are experienced and trusted officials of labor organizations all over the country have and are declaring themselves emphatically against the candidacy of Bryan for President of the country. Many unions and central unions are refusing outright to endorse the course dictated for them by Samuel Gompers.

This opposition has been stated in the most vigorous and convincing terms and this fact shows conclusively that President Gompers did an inexpedient, a foolish and impulsive act when he launched out on a Democratic campaigning tour in the name of the American Federation of Labor.

Few men have been longer before the public as a prominent official of the trade union movement than William Little, one of the leading national organizers of the United Mine Workers of America. He is an able man and not only is he well informed relative to trade union history and principles, but he is a man of an extensive general knowledge. He is most emphatically opposed to Bryan and to the efforts of leading officials of the American Federation of Labor in trying to take trade unions into partisan politics. During an interesting interview he said:

Democratic Rule in the South.
"I wish to state that from a trade union standpoint I have nothing to say against President Gompers, but I am most strenuously opposed to his efforts to have a man like Bryan and the Democratic party elected to govern our country. To me the departure of Mr. Gompers in this respect is one of the most remarkable in the history of the trade union movement, for I personally know that wherever we find Democratic rule we find our wage workers in the most deplorable moral, social and material conditions.

The Democrats govern the South and this is the party that President Gompers wants to have in power in the north and the west also. God forbid he succeeds. Oh, if the wage workers of this great country only knew what I and many others who have worked for trade unionism in the Southern States know not a single vote would be cast for Bryan or the Democrats by working men next fall. Why have President Gompers, Bryan and others of their present campaign been so long silent about this Democrat rule in the south? Why are they silent now about it? Is it not reasonable to think that conditions all over the country will degenerate to the level of those in the south if the nation is to be ruled by Democrats? I believe it is.

I defy successful contradiction when I say that Democratic rule in the south is hellish rule. Thousands of persons have been disfranchised; human beings have been hunted by bloodhounds and beaten with clubs with the full knowledge of the Democratic rulers there. The peonage system, the hellish curse of the wage worker, holds sway there and is protected by Democratic rule; child labor with all of its damning and fearful consequences is an institution there and is upheld most determinedly by Democratic rule there. I could go on and on reciting the revolting conditions there, but I think I have said enough to convince any reasonable man that we must as wage workers keep clear of Democratic rule. Let any one who doubts my word write to my friend Duncan McDonald and he will more than verify every word I have said."

Unions Reject the Bryan Plea.
Upon receipt of a letter from Samuel Gompers asking for support in his campaign for the Democratic party, United Brotherhood of Carpenters and Joiners of America, Local No. 32, of Brooklyn, ordered Secretary A. J. Joss to answer, stating that it was not willing to follow any ill advice, even if it has come from the executive council of the A. F. of L.

A press dispatch from New Haven, Conn., reads as follows:
"Cigarmakers' Union, Local 39, of this city put themselves on record as being opposed to President Gompers' endorsement of the Democratic party."

Cigarmakers' unions of New York and Chicago have taken a similar political stand to that of the above union. President Gompers is himself a member of the Cigarmakers' Union.

The Journeymen Bakers and Connectioners International Union through its official organ has issued a statement to be sent to the various national unions throughout the country, in which it disagrees with the decision reached at a conference of the editors of the official organs of all national unions held recently to agree on a political policy in coming out for Bryan.

The Maryland State Federation of Labor, at its fourth annual meeting at Hagerstown, which adjourned September 10, decided not to endorse Bryan.

The Terre Haute Lodge of Iron and



A ROCKY ROAD TO TRAVEL.
But Mr. Watterson has undertaken to make it all smooth for the "Peerless."
—From the Philadelphia Inquirer.

Steel Workers, the strongest trade organization in the Central Union of Terre Haute, Ind., unanimously refused to endorse the views of Samuel W. Gompers on the presidential candidacy, deciding to let its members vote as they please. The Central Union so far has refused to take up the matter.

Protest from Leaders and Press.
Frank A. Kidd, president of Columbia Typographical Union No. 101, of Washington, D. C., takes exception to the effort by Samuel Gompers to bring the labor vote into line for William J. Bryan.

"Now that Gompers has announced his programme," says he, "I do not know that anything need be said. However, members of unions, like other citizens, will exercise their individual preference at the polls, and are more than likely to be guided by their party predilections than by the political potpourri prepared by officers of the Federation of Labor. Unionism is not a political question, nor can unions as a body be swept into any political camp."

Commenting on Mr. Bryan's Labor Day visit to Chicago, the Building Trades, the official organ of the Associated Building Trades of Chicago and Cook county, although a Bryan supporter, says Bryan was unbecomingly silent about this Democrat rule in the south? Why are they silent now about it? Is it not reasonable to think that conditions all over the country will degenerate to the level of those in the south if the nation is to be ruled by Democrats? I believe it is.

Taft Real Friend of Labor.
The reasons of the International Brotherhood of Steam Shovel and Dredmen for electing William H. Taft an honorary member were given in a letter from T. J. Dolan, General Secretary-Treasurer of the union, to President Gompers of the American Federation of Labor. The letter says:
"During the last session of Congress Mr. Taft and six Congressmen—three Republicans and three Democrats—helped us to make a fight to keep wages up at Panama, and all these men were elected as honorary members of our brotherhood at the time. There is no politics in this matter as far as our organization is concerned. Of course, we appreciate very much the efforts of these men in helping us to keep up the wages of our members, and it is only quite natural that we should wish them to receive political success."

Changing Industrial Conditions.
In the ten years which has elapsed since the enactment of the Dingley Tariff, the conditions have so changed as to make a number of the schedules under that tariff too high and some too low. This renders it necessary to re-examine the schedules in order that the tariff shall be placed on a purely protective basis. By that I mean it should properly protect, against foreign competition, and afford a reasonable profit to all manufacturers, farmers, and business men, but should not be so high as to furnish a temptation to the formation of monopolies to appropriate the undue profit of excessive rates.—Hon. Wm. H. Taft, at Kansas City, Mo.

SHERMAN FOR PROTECTION
Experience Has Demonstrated that a Protective Tariff Means Prosperity.
(From Sherman's Speech of Acceptance.)

First, then, let me say that I am a protectionist. I am sufficiently practical to value the utility of a fact higher than the beauty of a theory, and I am a protectionist because experience has demonstrated that the application of that principle has lifted us as a nation to a plane of prosperity above that occupied by any other people.

I especially commend that plank of our platform which promises an early revision of tariff schedules. That pledge will be fulfilled in an adjustment based in every particular upon the broad principles of protection for all American interests; alike for labor, for capital, for producers and consumers. The Dingley bill, when enacted, was well adapted to the then existing conditions. The developments of industrial prosperity in a decade, which in volume and degree have surpassed our most rosy expectations, have so altered conditions that in certain details of schedules they no longer in every particular mete out justice to all. In this readjustment the principle of protection must and will govern; such duties must and will be imposed as will equalize the cost of production at home and abroad and insure a reasonable profit to all American interests. The Republican idea of such a profit embraces not alone the manufacturer, nor alone the capital investor, but all engaged in American production, the employer and employed, the artisan, the farmer, the miner and those engaged in transportation and trade; broadly speaking, those engaged in every pursuit and calling which our tariff directly or indirectly affects. During a statutory application of this principle, prosperity has abided with us. When a revenue tariff has been the law, adversity and want have been our portion. Our Democratic brethren, whose memories are as short as their promises are frail, and who have always exhibited a lack of capacity to profit by experience, unmindful of the distress and destruction that arrived and departed with the last Democratic administration, declare in their platform that they favor such immediate revision of schedules as may be necessary to restore the tariff to a revenue basis. A "revenue basis," a "tariff for revenue only," "ultimate free trade"—all have an identical meaning; that meaning being an assault upon the American industries, an attack upon the American wage scale, a lessening demand for the products of American soil and American toil; less work, less pay, less of the necessities of and comforts of life. In the light of history, what issue of the campaign so vitally affects American citizens? Experience, that effective teacher—effective save with the one-man power now parading under the title of the Democratic party—has taught the nation a valuable lesson and the result of the coming November election will once more prove the American people to be apt scholars. What the laborer of the land, skilled and unskilled, desires is the opportunity at all times to exchange his brain and brawn for good pay in good money. A protective tariff and the gold standard, both now the existing achievements of the Republican party, in spite of Democratic opposition, give the laborer that opportunity.

National Honor Established.
When in 1900 the Gold Standard was established by the Republican party, in spite of Democratic opposition, it completed and perfected its record as regards our national honor and party honor in meeting in full every financial obligation.—Hon. James S. Sherman.

SEVEN GOOD REASONS.
A Partial List of the Items Composing Logical Opposition to Bryan.
(From the Omaha Bee.)

Mr. Bryan's Commoner has boiled down into nine paragraphs the reasons why the Democratic candidate should be preferred by the voters. Here are seven paragraphs showing why each of Mr. Bryan's reasons are invalid:
First, Mr. Bryan is estopped from accusing the Republican party of failing to provide for electing United States Senators by popular vote. Nebraska has a provision for securing from the people an expression of choice on United States Senator, but when Mr. Bryan was a candidate for Senator in 1904 he refused to submit his candidacy to popular vote.
Second, Mr. Bryan is estopped from accusing the Republican Congress of failing to pass a law for campaign publicity. Every Democratic member of the House voted against the publicity law that was passed by Republicans simply because it included a provision for an inquiry into Democratic disfranchisement of the negro in the South.
Third, Mr. Bryan is estopped from accusing the Republican Congress for failing to pass a postal savings bank bill. He has professed to favor postal savings banks for years, but now says he will favor it only in case his guaranty deposit scheme proves a failure.
Fourth, Mr. Bryan is estopped from charging the Republican Congress with passing a currency bill "encouraging speculative banking" when his own deposit guaranty scheme would throw the door wide open to wild-cat banking.
Fifth, Mr. Bryan's charge of despotism rule by the Speaker of the House of Representatives is best answered by the unprecedented record of reform legislation enacted during the Roosevelt administration.
Sixth, Mr. Bryan should be estopped talking about the cost of living increasing faster than wages because under the last Democratic administration the trouble was to get any wages at all. Incidentally the truth of the Bryan assertion may be challenged.
Seventh, Mr. Bryan's reference to the Republican position on the tariff is pure buncombe. The Republicans favor revision whenever changed conditions require, while Mr. Bryan wants to go through a continuous performance of piecemeal reduction that would paralyze all our industries.

Taft's Injunctions.
President Describes Them as Chararters of Liberty for All.
I ask that every responsible and fair-minded labor leader, every responsible and fair-minded member of a labor organization, read these (Taft's) injunctions for himself. If he will do so, instead of condemning them he will heartily approve of them and will recognize this further astonishing fact that the principles laid down by Judge Taft in these very injunctions, which laboring people are asked to condemn, are themselves the very principles which are now embodied in the laws or practices of every responsible labor organization. The principles which he therein so wisely and fearlessly laid down serve as a charter of liberty for all of us, for wage workers, for employers, for the general public; for they rest on the principles of fair dealing for all, of even-handed justice for all. They mark the judge who rendered them as standing for the rights of the whole people; as far as daylight is from darkness, so far is such a judge from the time-server, the truckler to the mob, or the cringing tool of great, corrupt and corrupting corporations.—President Roosevelt.

MONEY IN THE BANK.

How Depositors Are Secured Against Loss of Funds.

A Careful Student of Finance Writes About Banking Methods and Principles.

(From the Chicago News.)

It is held by advocates of the guaranty of bank deposits that banking is a quasi-public business and therefore that the State should have charge over the banks in the interests of the people. Grant this; but that is no reason for forcing one bank to guarantee the depositors in another bank.

How is it with railways? The State controls the railways, and even claims the right to fix the rates charged. So with banks; the State exacts reports, governs investments, and even establishes usury laws, which fix the maximum rates of interest. But it would never occur to a reasonable man to oblige one railway to pay damages to a traveler who met an injury due to carelessness on another railway under wholly different management. But that is exactly what the guaranty of bank deposits means. It means that one well-managed, careful, small country bank shall be called on to help pay the losses of depositors in a large speculative Wall street bank, and yet the former has no control whatever over the latter.

The recent panic scared some depositors, and they wish absolute safety in the future. That is what is wanted, even though they do not altogether know whether guaranty of deposits is the right thing or not. Very well; if a depositor wishes absolute security he can find it by depositing in a safety vault.

"Oh," says the depositor, "I want some little interest on my deposit, and the right to draw checks, and yet get absolute security, too." In short, he wishes the privileges granted by a commercial bank.

That is, the bank gives in return for the deposits: (1) A checking account, by which he can make payments without risk of carrying money about; (2) usually interest on average deposits; (3) the collection of checks and drafts on distant cities; (4) bookkeeping of the account without expense, and (5) the chance to borrow from the bank where the deposits are made. In other words, the public has chosen against absolute safety in a deposit vault in order to get the conveniences given by a commercial bank. If so, the public can never have absolute safety, and no law can give it.

By the very fact of being a commercial bank, an institution must loan its deposits to men in industry and trade, and take the risks implied in that process. The deposits are as safe as the loans to the business public—no more, no less.

If the timid depositor wishes to get at the center of the whole question of the safety of his deposits in a commercial bank, let him concentrate all his criticism, argument and time on the means of inspecting bank loans and of preventing doubtful or speculative operations by banks.

Yet, when small depositors see the national and State governments exact bonds as security for deposits they wonder why they should not have equal protection.

There are two reasons why public and private deposits should have different treatment: First, public deposits are more valuable to a bank, because they are called upon usually at regular and foreseen dates and thus a larger percentage can be loaned during the intervals than is the case with private deposits subject to daily checking. In addition, it should be remembered that public moneys are deposited by officials who are under bond to account for every cent turned over to them. There is thus a special reason for requiring bonds as security for public deposits.

If every private and public depositor exacted bonds as protection all the deposits would have to be invested in bonds, there could be no commercial banks. Industry could get no use of idle funds and the reason for a bank would disappear.

"Very well," it may be rejoined, "if security in bonds is impracticable—as urged by some persons—then give us a guaranty fund of a certain small percentage of deposits, say 1 per cent, such as is required in Oklahoma. That will be enough."

To that it is to be said unequivocally and emphatically that the national banks now provide a large guaranty fund for depositors, which must be wholly used up before a depositor can lose a cent. Indeed, the whole proposal of a guaranty of deposits shows astounding ignorance of our banking system and banking operations.

The advocates of a guaranty themselves advertise the fact that in about forty-three years of the national banking system there have been losses on an average to depositors of only about one twenty-sixth of 1 per cent. Why is the loss so small? Exactly because the banks, under law, provide a guaranty fund for the ultimate redemption of deposits in (1) the total amount of the bank's capital; (2) the surplus; (3) the undivided profits; and (4) the shareholders' liability, technically equal to the capital, but practically about 30 per cent of it. In brief, the bank must first lose an amount equal to all these

items before a depositor can lose a cent.

For all the 6,778 national banks, according to the accounts of May 14, 1908, this guaranty fund amounted to \$1,934,470,582.

As things now stand, the self-interest of the bank is enlisted to do its business honestly, and thus insure the depositor at a great risk to the bank if it goes wrong. What more can be done for the depositor? To this the depositor may say: "We don't wish to wait until the bank pays off its depositors." But, if it wishes the privileges of a commercial bank, it must share the delays of liquidation.

If depositors wish the privileges of a commercial bank, and yet do not wish to wait until assets of a failed bank are liquidated, then they can resort to legitimate insurance, and obtain immediate redemption of deposits.

Anything can be insured if the premium is large enough to cover the risk. Since the guaranty of deposits, obtained by making all the banks contribute proportionally, is manifestly unfair—because it holds a bank responsible for losses over which it had no control—then let the depositor go to a company that insures such a risk. That is a voluntary act, and perfectly fair.

The insurance company will charge a premium based on the character of the bank's management. If a man ignorantly deposits in a speculative bank, up goes the premium; and thus the public will be driven by business rules to deposit in banks which insurance companies will accept at a lower premium. In such a way badly managed banks would be driven from business.

It may be said, however, that the bank borrows from a depositor when it receives deposits; and, as the bank exacts collateral and security from borrowers, so the bank should give the same security to the depositor as the borrower gives the bank.

If the combined banks, under a guaranty law, are expected to guarantee all depositors, then the parallel scheme would propose that all borrowers should guarantee the banks. That sort of guaranty by borrowers would never be accepted for a moment by business men, because good business men would be held liable for the notes given to banks by poor business men, and that is manifestly unjust. It would be equally unjust that sound banks should guarantee bad banks.

But the real answer to the demand that the individual bank—not all banks, good and bad together—should give its own depositor security by a guaranty fund is that the bank does now furnish a large fund in its capital, surplus, etc., and that provides a working arrangement between an individual bank and the depositor to whom it is directly responsible, without bringing in a chimerical general scheme, which is also manifestly unjust.

To put the funds of the country into the hands of less careful men than now certainly would increase wild banking, promotions of speculative enterprises and intensify all financial crises. It is just the opposite of what should be emphasized in our banking in order to get greater safety.

In truth, the safety of the depositors under any and all legislation primarily depends upon what the bank does with the deposits. In Oklahoma under the new law there will be good and bad banking, just as there will be without a guaranty system. It would be well not to set the seal of approval on the Oklahoma law until the Oklahoma banks have successfully met a commercial crisis.

If the banks, which rely on the insurance of deposits to secure business, unduly expand, then no guaranty fund of 1 per cent of deposits will be more than a leaf before a cyclone when the real crisis comes. There is certain to be some bad banking in Oklahoma. If not, why was the act passed? Solely to make the good pay for the bad.

Those who are unwilling or unable to hold their own in the competitive struggle wish to be helped out by the State; so that the wise and careful shall pay for the foolish and rash.

BRYAN AND WEST VIRGINIA.

Leading Negro Journal Says He Cannot Win That State.
(From the National Mirror—Negro.)

Mr. Bryan's campaign managers have made an error in placing West Virginia in the list of States which they insist Mr. Bryan has a fair chance of carrying at the coming election.

Action of Democrats.
The West Virginia Democrats have declared in State convention that "the Democratic party is in favor of so amending the constitution as to preserve the ballot and the electorate of the State from the evils resulting from conferring such power and privilege upon negroes. Mr. Bryan has nothing to say about that."

A few misguided negro leaders over the country have led Mr. Bryan to believe that a large number of their race will vote for him this time and on that account he is dodging the discussion of the race question.

It is unfortunate for the negroes of the country that Mr. Bryan cannot discuss the plans of the West Virginia Democrats in this campaign. He has declared that he cannot discuss the negro question, because it was not mentioned in the Democratic platform. That, of course, will prevent him from enlightening the negro voters of the country as to whether he has changed his views toward them since last April, when he made a speech in New York in which he approved the action of the Southern States that have disfranchised negro voters in order to keep the South solidly Democratic.