

A SORRY SHOWING.

Practical Workings of Oklahoma Bank Deposit Guarantee Law Explained.

Reckless Banking and Speculative Methods Follow Passage of Law.

The practical workings of the Oklahoma law guaranteeing bank deposits were described by Mr. J. W. McNeal, one of the most substantial bankers of that state, and president of the National Bank of Commerce, Guthrie, in a short public address at Denver, Oct. 1, 1908.

Mr. McNeal said:

"To my mind it is the most vicious and pernicious law ever forced on a body of honorable men. It contains a provision for an unlimited mutual liability for all the defaulters, lack of judgment, dishonest and incompetent bankers, without any recognition of the time-tried, strong banker, who may have spent a lifetime in building up his reputation. Under the provisions of this law, the State Banking Board is required to levy an assessment equal to one per cent. of the average deposits in each bank, and, in the future, to levy as often as may be required, a sum sufficient to maintain this fund, at one per cent. of the average deposits of the state.

Wild Cat Banks.

"What has been some of the results of the actual operation of this law in Oklahoma? There have been seventy-seven new state bank charters issued since the adoption of this law, forty-two of these with a capital stock of only \$10,000 each. There has been a regular beggar for starting new state banks without regard to the necessities of the community or the character of the men starting the banks.

"We have one instance of where a man failed in Kansas, under his own name, then started up in business under his wife's name and failed, beating his creditors out of \$70,000, not paying them a cent. Under the old territorial law, he attempted, under the guise of relatives to start a bank, but in two years his business was so trifling that it forced him out of the business. He now has already started three banks in Oklahoma and boasts that he will start twelve more. Within sixty days from starting one of his banks, I am informed, and his statement shows, that he had a deposit account of over \$100,000. His cashier is under indictment for embezzlement. I hope and trust that he will be able to explain the matter without wrong to him. I only mention these facts to show that it is immaterial what character of men are at the head of banks, they get the business by claiming that the state is guaranteeing them and it makes no difference whatever as to the character or personality of the officers. A man may bet all his money on the races, may gamble on the Board of Trade, may fight joint whisky, may lead a licentious life, and go out and solicit deposits, saying 'What do you care what kind of a life I lead, the state is behind me?'

Banks Without Capital.

"Two men recently started a bank of \$25,000 capital, in Oklahoma City, a town of forty or fifty thousand inhabitants. When asked how they expected to succeed with a bank of \$25,000 capital in a city of that size, one of them replied: 'What do we care about capital, the state is in partnership with us?'

The president of the First National Bank of Perry was also a merchant and failed in business and was compelled to go through bankruptcy. Naturally he had to resign his connection with the First National Bank. He now has taken out a charter and is president of a state bank in Oklahoma. One man, when prohibition closed his saloon, quit the saloon business and started up a bank and has thirty or forty thousand on deposit.

"There can be but one deduction from this enormous rush for starting new state banks. They are being started by irresponsible, inexperienced men, and, instead of indicating a solid growth for the state of Oklahoma, they indicate an era of irresponsible and wild-cat work.

"One of the dangerous evils of this Guaranty Law is that it guarantees credit deposits as well as cash deposits. Now, you all know that not more than one-tenth of a bank's daily deposits are in actual cash. Nine-tenths are credit deposits, are either checks and drafts or proceeds of loans. When these credit deposits, that are made as the proceeds of a loan, are guaranteed, the guaranty certainly reaches to the guaranteeing of the loan itself, for the reason that the deposit is merely the result of the loan.

When Mr. Taft defends his own record as a judge or his attitude toward labor or his policy in the Philippines or his administrative work in the War Department, he makes strong and vigorous speeches.—New York World (Dem.).

What I am anxious to emphasize is that there is a wide economic and business field in which the interests of the wealthiest capitalist and the humblest laborer are exactly the same.—Hon. Wm. H. Taft, at Cooper Union, New York City.

TO MIDDLE WEST AND ROCKY MOUNTAIN STATES' REPUBLICANS.

You want Mr. Taft and Mr. Sherman elected, and they cannot be elected unless the Republican National Committee has sufficient money to pay the legitimate expenses of the campaign. It costs money to maintain an organization. It requires money to pay for printing, postage, salaries of stenographers and clerks at headquarters, traveling expenses of speakers and numerous other details that go to make the campaign end successfully. Congress, as you know, has passed a law making it unlawful for us to solicit money from corporations. We must depend upon the contributions of individual voters. If every Republican in this Western Division would contribute one dollar to the campaign fund, we will be able to do all the things that the voters want done; we will be able to elect Taft and Sherman. Will you help? If so, please send one dollar to the chairman of your State Finance Committee, whose name appears in the list following, or send it direct to me and you will receive the official receipt of the Republican National Committee. Respectfully,

FRED W. UPHAM, Assistant Treasurer.

Contributions may be sent by check or money order to any of the following named chairmen of the various state finance committees: Colorado, Hon. Whitney Newton, Denver. Idaho, Hon. Frank E. Johnson, Wallace. Illinois, Col. Frederick H. Smith, Peoria. Iowa, Hon. Lafayette Young, Des Moines. Kansas, Hon. Frank E. Grimes, Topeka. Michigan, Hon. John N. Bagley, Detroit. Missouri, Hon. O. L. Whitelaw, 409 North Second street, St. Louis. Montana, Hon. Thomas A. Marlow, Helena. Nebraska, Hon. John C. Wharton, Omaha. New Mexico, Hon. J. W. Reynolds, Santa Fe. North Dakota, Hon. James A. Buchanan, Buchanan. Oregon, Dr. H. W. Coe, Portland. South Dakota, Hon. O. W. Thompson, Vermillion. Washington, Hon. James D. Hoge, Seattle. Or to Fred W. Upham, Assistant Treasurer, 234 Michigan avenue, Chicago, Illinois.

"I have heard it discussed, and I think it feasible for a dishonest man or set of men to organize a \$10,000 bank, then create a lot of fictitious deposits as the proceeds of a lot of dummy notes, then let the bank close its doors and call on the guaranty fund to pay these deposits. Naturally, the deposits will be credited to men in no way identified with the note itself.

"We had one bank failure in my town for something like \$1,000,000. This would have taken more than five per cent assessment on the deposits of the state banks of Oklahoma. Supposing a bank had \$100,000 deposits on a capital stock of \$10,000. Fifty per cent, or one-half of its capital stock, would be confiscated to make up the one loss. It is more dangerous to the honest, small banker than to the large one, because the large one can prepare himself to weather the storm.

"Under guise of this law an attempt is being made to put all banks on an exact equality. The man who has spent a lifetime in building up an honorable reputation is sacrificed for the sake of making some poor, incompetent, dishonest banker exactly equal to him. It is a mistake to suppose that sacrificing the assets of the solvent bank is going to prevent the rascal from failing. There is more money in it for him to fail, under this law, than there will be to run."

REMEDY WOULD KILL.

Hard, Painsstaking Work Necessary to Reform—Not the Instantaneous Panaceas of Bryan.

(Governor Hughes at Sioux City, Ia., Oct. 6.)

If you look conditions squarely in the fact, you see that what labor wants first of all is work, and that is dependent upon the country's prosperity. It is hard to protect the prosperity of the country and cut out abuses; hard to provide schemes that won't hurt business and will cure evils. It is hard to do things right, but we have got to take the time and labor to do them right.

In answer to a question I put to him the other day Bryan said that an ounce of remedy was worth a pound of cure. That is a fallacy; an ounce of his remedy would kill the patient. What we need is the expression of the sound thought and good judgment of the people upon which we can depend. I have had a time for two years in New York fighting the fight and I know it is hard work. You can't have a flash of genius and change it all in a twinkling. What you have to have is work—hard, conscientious work, intelligent and thoughtful, as well as determined, to make remedies square with the exigencies of our life.

When we consider everything, what we want is to perfect the upbringing of our country and promote a steady, forward movement in the middle of the road, as is the aim of the Republican party and our great future President, Taft.

It is greatly in the interest of the workman, therefore, that corporate capital should be fairly treated. Any injustice done to it acts directly upon the wage earners, who must look to corporate wealth for their employment.—Hon. Wm. H. Taft, at Cooper Union, New York City.

"The so-called colonial policy of the United States has added to our trade, already, something over one hundred million dollars a year."—Mr. Taft, at Cleveland, O.

Political Snapshots.

"The leader of the Republican party during the Civil War was Abraham Lincoln, and it has never lost the inspiration of his leadership."—Mr. Taft, at Kansas City, Mo.

The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.—President Roosevelt, at Minneapolis, Minn., April 7, 1903.

LET'S CAT OUT OF BAG.

German Manufacturers to Flood America With Goods if Bryan Should Be Elected.

The following cablegram to the New York Sun under date of Oct. 3 shows what German manufacturers expect to do should Bryan be elected:

"Berlin, Oct. 3.—The gladiatorial fight between President Roosevelt and Mr. Bryan has suddenly aroused German interest in the American Presidential campaign and columns are now devoted to extracts from the mammoth campaign documents of the combatants. German hopes of Democratic victory have been revived and many merchants and manufacturers have suddenly grown optimistic about a revision of the tariff which will enable them to flood America with their goods."

The German manufacturers evidently are shrewd observers. If Mr. Bryan should be elected and his "downward revision" doctrine with ultimate free trade be carried into effect we would soon be flooded with German-made goods of every description, and our factories could go out of business.

Protective Tariff Theory.

On the other hand, should Mr. Taft be elected our friends the German manufacturers would not be able to break through the wall of protection which would be maintained for the benefit of American labor.

The protective-tariff theory as defined in the Republican platform, and as adhered to by Mr. Taft, is that in order to maintain high wages in this country there must be "the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." Mr. Taft points out that the cost of production is determined chiefly by these three elements: "The cost of material, the cost of labor and the interest on capital, or what is known as the manufacturer's profit."

"The normal operation of protection, where competition has free scope," Mr. Taft asserts, "is to lower the cost of producing and so to reduce prices to the public. As a consequence, after ten years' operation of a particular schedule, it ought to result that the cost of production in this country is made less, and therefore that the difference between the cost of production in this country and abroad is less, and therefore that the duty ought to be reduced."

Duties of Next Administration.

The function of the next administration is not to be spectacular in the enactment of great statutes laying down new codes of morals or asserting a new standard of business integrity, but its work lies in the details of furnishing men and machinery to aid the hand of the executive in making the supervision of the transactions (of corporations) so close, so careful, so constant, that the business men engaged in it may know promptly when they are transgressing the line of lawful business limitations, and may be brought up standing whenever this occurs, and may be prosecuted when the violations of law are flagrant and defiant, and promptly restrained and penalized.—Judge Taft, at St. Charles, Mo.

Bryan is developing into a real humorist. He has advanced so far along the line that he can now announce himself as "the advance agent of prosperity" without cracking a smile.—Sioux City Journal.

The Republican party is not only rich in men, but rich in practical and beneficent principles—it is rich, too, in its record, in promises performed and pledges fulfilled, and so we are for party and party principles first, and will acquiesce in the choice of the majority, rallying around the standard bearer who will carry us again to victory.—Hon. James S. Sherman.

"The present business system of the country rests on the protective tariff and any attempt to change it to a free-trade basis will certainly lead to disaster."—Mr. Taft, at Columbus, O.

WHAT HIGH PRICES MEAN TO THE FARMER

In 1895 Two Hundred Bushels of Kansas Corn Bought 1,000 Feet of Lumber.

Now One Hundred Bushels Buys 2,000 Feet—A Concrete Illustration Showing Why Land Values Have Increased.

Out in Kansas a great deal is being said just now about the lumber trust, the high prices of lumber and the terrible expenses attached to the building of houses, cribs and other buildings. The principal buildings being erected this fall on the farms are corn cribs in which to store away the immense crop which was raised throughout Central Kansas, and is now matured and will be ready for the crib in a very short time. In a political discussion here the other day the old story of the high prices came up and it was asserted that a large amount of corn would necessarily be placed on the ground this year because of the high price of lumber. One farmer who has no particular love for the trusts, but is inclined to look on the bright side of everything and who is well satisfied with present conditions, declared that in 1895, when lumber was very cheap, and likewise corn, it took 200 bushels of corn to buy 1,000 feet of cribbing lumber. Now, when lumber is at the highest point it ever reached in the history of Jewell County, 100 bushels of corn will purchase 2,000 feet of cribbing lumber. According to J. W. Berry, of this county, who is a good authority on the prices of farm products and lumber, and makes this assertion, using corn as a purchasing power, lumber is only one-fourth as high as it was thirteen years ago.

Now on Easy Street.

Although this county is in the wheat belt of Kansas, many of the farmers have raised corn. Both crops were just like they had been made to order, and the prices will place the tillers of the soil on easy street for some years to come.

In Jewell County there is a farm which has been on the market for sale for the past year, and was held at \$20 an acre. The farm consists of 120 acres. Fifty acres are planted to corn. The other day the entire crop was sold for \$16 an acre, the purchaser to gather the corn, leaving the fodder on the ground. A part of the field will be light and will not average more than twenty bushels to the acre, while the remainder of the field will give up from forty-five to sixty bushels. Fifty acres of the land was planted to wheat and the value of the crop was equally as great as the crop of corn, while the five-acre patch of alfalfa produced even more money in proportion than either of the other two crops.

Values Increased Five Times.

There are no improvements whatever on the farm, but the price has been raised 100 per cent and the owner is not very anxious to sell at that. However, he says if he had the slightest idea that Bryan would be elected on the third of November he would sell his land at \$30 an acre, and in two years he could buy it back and make more money than by farming it.

In this county there is another farm which was sold in 1894. There are 80 acres in the farm, and the purchase price was \$500, or 5,000 bushels of corn at the prevailing price at that time. In the meantime, the 80 has been considerably improved. A part of the land has been put to tame grass, a fine orchard is now one of the assets, good buildings have been erected and the land has grown more valuable because of the development of the country. This month the land was sold again, the purchase price being \$2,500, or the price of 5,000 bushels of corn at the present price.

Reasons That Are Still Good.

"I am sending Taft to the Philippines," said President McKinley, "because he is the broadest and the most unselfishly brave man I know, and because he will carry the spirit of the constitution of the United States in his very blood." These seem to be excellent reasons also for sending Taft to the White House. The American people will undoubtedly show on November 3 that they have come to that conclusion.—Canton, O., Repository.

"In his own personal experience Mr. Bryan furnished proof that the people do rule. His candidacy now is a protest against the popular verdict twice officially recorded. He is arraying his soaring ambition against the repeated decisions of the millions of electors."—Hon. James S. Sherman, Republican Vice Presidential candidate.

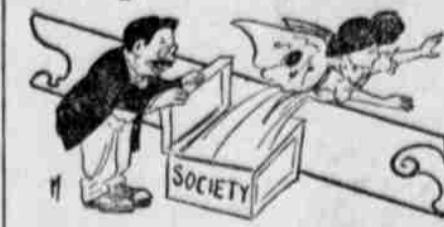
The effect of the organization of labor, on the whole, has been highly beneficial principles—it is rich, too, in employment for the whole laboring community. I have not the slightest doubt, and no one who knows anything about the subject can doubt, that the existence of labor unions steadies wages.—Hon. Wm. H. Taft, at Cooper Union, New York City.

A gift for appointing the wrong man would not be a desirable quality in a president.

ROUND THE CAPITAL

Information and Gossip Picked Up Here and There in Washington.

Prospects for Social Season Are Bright



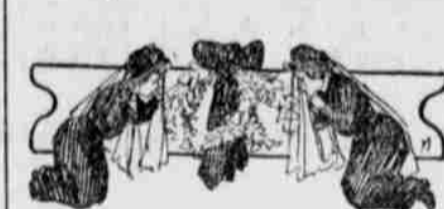
WASHINGTON.—Again the tide of society has turned. It is no longer where to go, but when to return. Society has had its fling, and a merry one it has been, despite all that has been said to the contrary, and now the more serious considerations of home life come to the front. With the summer's gayeties in Bar Harbor and Newport now only a memory, the fashionable set is of various minds as to where to spend the next month. Virginia Hot Springs holds out a beckoning hand to those who have revelled in the summer's dissipation.

But in Washington the curtain has been rung up and the stage set for the coming season by the arrival of the president and Mrs. Roosevelt, and the raising of questions which necessitate the return of the official family, as the cabinet is called. The opening of the winter season is in the dim future, but with the White House opened many of the embassies will follow suit.

Washington is a great gathering place for conventions, especially in the autumn, and this year the season opened with the Tuberculosis congress, which brought together distinguished men from all parts of the world, many of them with their wives and other feminine kin. This made necessary a reception or two and many luncheons and dinners, and these started the ball rolling. Although the ball may slow up when the delegates depart for their English, French, German, or other homes, it will be kept going on the way toward the new year and a new administration.

Meantime, there will be the official opening of the White House, with a reception for congress and the introduction of Miss Ethel Roosevelt into society. Miss Roosevelt is planning to have a stream of young house guests and all the "cousins" will take turns at joining in the entertainments, official and otherwise. Mrs. Nicholas Longworth will chaperon her sister on most occasions, relieved by her uncle, Admiral William S. Cowles, who filed the same genial office for Mrs. Longworth when she made her debut.

Tragic Coincidence in Death of Envoys



IT is a tragic coincidence that two distinguished members of the diplomatic corps who have recently died—Minister Hauge of Norway and Ambassador Speck von Sternberg of Germany—should have both been survived by beautiful and childless widows, who at some time in their girlhood claimed the same city, Louisville, as their home.

The dramatic sadness of the dual incidents still hangs like a pall over that inner circle of Washington society where the two happy couples shone as regnant lights.

That both men died in their fatherland when on temporary visits there with their American wives, dooming the young widows to solitary journeys home, is a further pathetic parallel.

Baroness Speck von Sternberg, the later of the two diplomatic women to be bereaved of an idolizing husband, returned from abroad recently and has

begun the packing of her effects at the German embassy. She has a right to the salary of her husband and to the occupancy of the embassy in Washington for three months after the ambassador's demise. As the widow of a diplomat who died in service, the former beautiful Miss Langham of Louisville will enjoy a considerable pension from the German government.

No more sumptuous hospitality was lavished in Washington than that emanated from Baron von Sternberg and his peculiarly alluring Kentucky wife. The white ballroom of the German embassy during the incumbency of the Von Sternbergs has been the scene of princely festivities.

The pathetic little diplomat with the gentle wistful face that always appealed, was a man of large personal income. No woman in Washington dressed more exquisitely than the wife of whom he was so justly proud.

The invalid diplomat, because of the determined malady that finally closed his career, appeared seldom in society last winter. His presence with his wife at the last state function of the season at the White House was the occasion of heartfelt congratulations among his friends. They believed he was better and going to get well.

No Hunters to Accompany the President



THE army of rough riders, trappers and men who "catch 'em alive with their hands" who have been looking forward to the president's African trip in quest of big game as an occasion in which they would play a part, will be disappointed.

Mr. Roosevelt and his son Kermit, one taxidermist, and one naturalist from the National museum will constitute the Roosevelt party. They will be the only Americans in it. Just how large a following of natives will be necessary the president himself does not yet know.

Although the president is to receive one large dollar for each word written by him about the trip, he is not contemplating the throwing of money right and left to equip himself for the novel experience of shooting real big game.

By the time the president will have been "separated" (this is the word

used in Washington) from the government service and the monthly check for \$4,166.66 2/3 will be going to some other man. It will be incumbent upon him to mind his pennies, else, instead of a trip of profit, it will develop into one of expense.

President Roosevelt does not yet know the scientists that are to accompany him. All he knows is that he intends presenting specimens of African animals to the National museum, and that he has asked that institution to send along two men, one to preserve the specimens and the other to make notes that will be of benefit to natural history.

No definite itinerary has been yet arranged. The president will go where he can find the game, and if he fails to find it one place he will go to another, and when he has found it he will camp there. The details of the trip will not be arranged, therefore, until after he has consulted his guides, who will not be from the United States. The caravan will be mustered in after he reaches the African coast.

Reports that the president has accepted an invitation from this or that official or dignitary are also premature. The president has received no invitations and his plans at present will hardly admit of his accepting any.

Insane Hospital to House Male Nurses



THE Government Hospital for the Insane has just opened its male nurses' home.

The building is designed to accommodate a large number of the male nurses and attendants who have heretofore been quartered in buildings in which patients were cared for. They will be enabled under the new conditions when work on the wards is over to go to a building removed from the patients and containing homelike appointments.

The need of such a home has been recognized by the hospital authorities for a long time. In the plans originally prepared for the extension of the asylum there was provision made for the erection of such a structure. It was finally eliminated.

A building three stories high, however, was erected for the female

nurses and attendants when the hospital extension was completed. As no appropriation was available for the construction of a building for the male nurses, all that it was possible to do was to remodel one of the buildings already on the hospital reservation.

The building finally selected is what was known as the east lodge. Several years ago it was utilized for female patients. It is a combined three-story and two-story brick building.

Entirely remodeled to meet the requirements of the situation, it contains 33 roomy apartments, capable of providing for about 58 men. It is lighted throughout by electricity. Lavatories, shower baths and bathrooms, all lined with Vermont marble, are on each floor. On the first floor is a large club or reception room running the entire width of the building, which will be used as a reading room or possibly as a billiard room.

Employees who are to occupy the building are being assigned to quarters there now, and they have expressed themselves as pleased at their new surroundings, which they regard as making for their comfort and pleasure after working hours.