

# The Commoner.

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## Idaho Republicans

It will now be in order for Secretary Shaw or some other representative of the Roosevelt administration to take the Idaho republicans to task because of their "treasonable" utterances in state convention assembled at Boise, August 21.

On the tariff question the Idaho republicans declared:

"That many of the industries of this country have outgrown their infancy and the American manufacturer has entered the markets of the world and is successfully competing with the manufacturers of all other countries. We, therefore, favor a revision of the tariff, without unreasonable delay, which will place on the free list every article and product controlled by a monopoly."

Now this is indeed an affront to the republican party.

The democratic national platform adopted at Kansas City in 1900 declared: "Tariff laws should be amended by putting the products of trusts upon the free list to prevent monopoly under the plea of protection."

The Idaho republicans declared: "We, therefore, favor a revision of the tariff, without unreasonable delay, which will place on the free list every article and product controlled by a monopoly."

There is a striking similarity between these two planks.

It will be remembered that Secretary Shaw in his Vermont speech in interpreting the Iowa platform said that every one would be in favor of preventing the tariff from becoming a shelter to monopoly, but he said that people would differ as to whether the tariff did provide shelter for monopoly. He intimated that the republicans of Iowa did not mean to assert the fact at this time. He will hardly be in a position to say that the Idaho republicans did not make this charge because they very clearly show that they believe that the present tariff does provide shelter to monopoly.

Referring to the trust question the Idaho republican convention charged that the formation of enormous overcapitalized corporations commonly called trusts stifle competition and enable them to dictate the wages of labor and the prices of commodities to both the producer and the consumer, in the interest of their own aggrandizement. They charged that it is "a great and growing evil" and they declared not only for the regulation, but for the "suppression" of all trusts.

The republican fences in Idaho, as well as in Iowa, appear to be sadly in need of repair.

### Mr. Shaw and the Trusts.

Secretary of the Treasury Shaw delivered an address at Morrisville, Vt., on August 19. Mr. Shaw referred at the outset to the now famous Wellman interview. He said:

"I have been quoted as opposed to a revision of the tariff. I have never opposed readjustment of the tariff. Whenever congress is of the opinion that the friends of protection are strong enough to modify the tariff to meet conditions and conservatively to meet opposition to a revision of the entire tariff law, thus paralyzing business for a season, I

am in favor of it. I have expressed some doubt, however, about the wisdom of instructing by resolutions, or exacting pledges from candidates for congress, when the effect is liable to precipitate a protracted debate with very uncertain results."

This is by no means a denial of the interview printed in the Chicago Record-Herald. It will be remembered that in that interview Mr. Shaw was representing as opposing agitation for tariff revision more than the tariff revision itself, and in his statement at Morrisville, Mr. Shaw practically reiterates this important feature of the Wellman interview. He is not opposed to readjustment of the tariff "whenever congress is of the opinion that the friends of protection are strong enough to modify the tariff to meet conditions and conservatively to meet opposition to a revision of the entire tariff law;" but Mr. Shaw is distinctly opposed to any discussion of this question.

He does not think that conventions should adopt resolutions concerning the tariff. He does not believe that pledges should be exacted from candidates for congress. He is averse to a debate on this important public question. In other words, Mr. Shaw would have the people vote for candidates for congress simply because they are republicans. He wants the people to trust the republican party to do the right thing. He wants the people to abandon all consideration of public questions and to place their interests in the keeping of republican politicians.

Mr. Shaw is "not opposed to revision of the tariff," but if Mr. Shaw and his associates have their way, they will see to it that there is no tariff revision; they will see to it that there is no interference with the shelter provided monopolies in the republican tariff.

It is worthy of note that in his Morrisville speech Mr. Shaw, although evidently referring to the Wellman interview, did not deny the essential features of Mr. Wellman's statement.

## BUT WAS IT A REBUKE?

The New York World compliments President Roosevelt because of the Oliver Wendell Holmes appointment to the United States supreme bench, and says that if the president will appoint the same kind of a man to succeed Justice Shiras, who is about to retire, that appointment would "still more rebuke Mr. Bryan's demoralizing philippic against that august tribunal, and still more vindicate the consistent insistence of the World during the Bryan campaign of 1896 that Mr. Bryan's attack upon the supreme court was a moral crime."

In the same editorial the World says that the appointment of Justice Holmes was "a wise step toward restoring the prestige of one branch of our national government, perhaps more important than any other."

If Justice Holmes' appointment was "a step toward restoring the prestige of the supreme court," how is it possible to interpret that "step" as a rebuke to Mr. Bryan? How is it possible to interpret that appointment as an indorsement of the World's claim that criticism of the supreme court was "a moral crime" in the presence of the World's present-day admission that the prestige of the court was in need of restoration?

## Financial Volcano

In last week's Commoner attention was called to Mr. Wellman's report of an interview with a cabinet officer, now known to be Secretary Shaw. It is putting it mildly to say that the interview has created a profound impression, but the impression is not exactly the kind that was intended. The evident purpose of the interview was to frighten tariff reform republicans by the threat of a panic, but the facts given have startled the country. Secretary Shaw shows that even with an unexpected increase of five hundred million dollars in the circulation the farmers' deposits have to be loaned over and over again to furnish a basis for the boasted prosperity. According to Mr. Wellman, Secretary Shaw says:

"Let me give you some facts without comment. You go out to the farmers and ask them how they are getting on. They will tell you that they were never before so prosperous. They are out of debt and have plenty of money. Ask them where their money is and they will tell you it is in the local banks. Call at the country banks and inquire into their condition, and their officers will tell you they are all right. Money plentiful and reserves above 40 per cent. 'Where is your money?' 'Oh, it is in the banks of Omaha, Minneapolis, Kansas City, etc.'"

"Next you go to the bankers in Omaha, Kansas City and Minneapolis, and they will tell you the same thing. They are in good shape; reserves 35 per cent. 'Where is your money?' 'In Chicago.' Now go to Chicago. Same story. Banks all right. Reserves 30 per cent. But the money is in New York."

"Finally, pursuing your inquiries in New York, you will find that both deposits and loans have been enormous. The money is not in the banks. There are only six national banks in New York that have not been below their legal reserves since January 1. You want to know where this money is? Well, \$450,000,000 is loaned by national banks on the bonds of industrial corporations. These corporations issued bonds instead of stocks because the national banks can take the former and can't take the latter. Intrinsically they are no better than stocks. In most of them there has been a lot of water-curing. Here you see where \$450,000,000 of the country's surplus stands against a lot of undigested, promotion-produced securities. The trust companies have put out millions more in the same way."

"That is where we stand. It is all right as long as it is all right. But I don't want to see anything happen. I don't want to see these industrials begin to topple over, to fall against one another and come down in a heap like children's play-blocks. And this is one reason why I am opposed to a tariff revision agitation that might start things going the wrong way."

What will the depositors think of the prospect? What will be the natural effect of the suggestion that any attempt to compel honest business methods will precipitate a panic and cause a failure of the banks? If the depositors begin to draw their money out of the local banks and the country banks begin to reduce their city reserves to a minimum, Secretary Shaw will be more to blame than any one else. If any democrat had reflected half as seriously upon the financial standing of the banks he would have been denounced as an alarmist and accused of having a grudge against