

Are We Drifting Towards a United States Bank?

tion. That this bank had made extension of loans so as to bring as large a portion of the people as possible under its power, and influence, was a fact pointed out in this address; and it was also said that "it has been disclosed that some of the largest loans were granted on very unusual terms to the conductors of the public press."

According to Jackson: "Having taken these preliminary steps to obtain control over public opinion, the bank came into congress and asked a new charter. The object avowed by many of the advocates of the bank was to put the president to the test, that the country might know his final determination relative to the bank prior to the ensuing election. Many documents and articles were printed and circulated at the expense of the bank to bring the people to a favorable decision upon its pretensions. Those whom the bank appears to have made its debtors for the special occasion were warned of the ruin which awaited them should the president be sustained, and attempts were made to alarm the whole people by painting the depression in the price of property and produce and the general loss, inconvenience, and distress which it was represented would immediately follow the re-election of the president in opposition to the bank."

Jackson added: "He (the president) met the challenge and willingly took the position into which his adversaries sought to force him and frankly declared his unalterable opposition to the bank as being both unconstitutional and inexpedient."

The methods referred to in this address by President Jackson are the methods that are resorted to by the representatives of special interests whenever an appeal for relief is made by the people. Enormous literary bureaus are constructed for the purpose of influencing public sentiment, newspapers are brought under the control of these interests, debtors are warned of the ruin which awaits them should any plan intended to protect public interests be carried out; and in various ways, in this day, as in Jackson's time, attempts are made to alarm the whole people by painting the depression in the price of property and produce and the general loss, inconvenience and distress which it is represented would immediately follow any executive act or legislative act to which the representatives of these special interests do not heartily subscribe.

In one of his messages Jackson said that he had "unquestionable proof that the bank of the United States was converted into a permanent electioneering engine;" and he referred to the efforts of the bank to control public opinion through the distress of some and the fear of others.

The special interests of today have "a permanent electioneering engine."

In his farewell address, Jackson warned the American people against the money trust. He reminded them that it would require "steady and persevering exertions" on their part to check the spirit of monopoly; he warned them that "so many interests are united to resist all reform on this subject that you must not hope the conflict will be a short one nor success easy." He congratulated himself that his humble efforts had not been spared "to restore the constitutional currency of gold and silver;" he told the people that in spite of all that had been done "enough yet remains to require all your energy and perseverance;" and he assured the people that "the power, however, is in your hands and the remedy must and will be applied if you determine upon it."

The evils against which Jackson struggled are more pronounced in this day than they were in Jackson's time; and today, as in the days of Jackson, the power is in the people's hands and the remedy will be applied only when they determine upon it.

Speaking before the Maryland Bankers association recently, John M. Nelson, a Baltimore banker, discussed at some length the growth of banking concentration. Mr. Nelson took the five great banks in New York, the National City and the Hanover, representing the Rockefeller-Standard Oil group and the Bank of Commerce, the First National and the Chase National representing the Morgan-Insurance Company group, and showed that the combined deposits in these banks amount to \$623,000,000, and the combined loans and discounts to \$430,000,000, or 57 per cent of all the deposits in the national banks of New York and 53 per cent of all their loans and discounts.

Mr. Nelson said that the great danger of this concentration is that it gives power to a few men to control the money and stock markets. Then he pointed out that there was a strong temptation for those in control to unload the securities in which they are interested upon the banks, the trust companies and the insurance companies allied with this banking concentration.

Mr. Nelson said that this concentration suggests the question: "Are we gravitating to a bank of the United States?"

The Wall Street Journal comments upon Mr. Nelson's statements in such an interesting way that it may be well to quote liberally from the Journal's article.

The Journal says: "So important is it that every phase of this subject should be discussed, that it is well to consider for a moment the significance of this inquiry. We think that the reply can best be made by approaching the subject from the standpoint of the tendency of concentration in general. The banking concentration does not differ essentially in principle from the industrial concentration or that of the railroads. The main difference lies in the fact that it is more dangerous than the other, in as much as any concentration of banking will put the power of the money market in the hands of a few men, and these few men, by reason of their control of credits, which are the vital air of commerce, will thus control practically the business of the entire country.

"Now there can be no doubt, looking at concentration in general, that it points absolutely in one direction. There is some basis of truth in the statement made not long ago by an intelligent socialist that Mr. Rockefeller and Mr. Morgan were "the advance agents of socialism," although they did not know it themselves. What he meant was that in forming the great railroad and industrial combinations and in facilitating the concentration of capital, these men were breaking down the "competitive system," were building up a monopolistic system, and that when competition is destroyed the next step is socialism. In other words, when combinations becomes so great and the concentration so powerful that they control the business of the country, then the people he said will step in and take up these combinations, turn them over to the government and inaugurate an era of state socialism.

"Now a bank of the United States would be in line with such an evolution as this. A great central bank of the United States would be a form of socialism. In banking it would be the same thing as government ownership of railroads would be in that line of enterprise. Now, we do not believe that the growth of concentration, whether in banking or in industries, need necessarily lead to socialism. On the contrary, we still believe that it is possible for these great business organizations which, whatever may be their evils in other respects, at least have the advantage of increasing economic efficiency, can be so regulated and kept within proper bounds by governmental supervision

as to save the country from the extreme of socialism on one side, and the evils of government ownership on the other. But if those in control of the great combinations of capital, whether in industry or in banking, persist in unduly extending the era of concentration, and at the same time resist the demand for publicity, square dealing and reasonable government regulation, then they may bring on the very calamity which, of all others, would destroy the social order. We are astounded that so many of our great leaders in the financial world, men who display such wonderful sagacity and foresight in other things, do not realize the plain logic of the situation growing out of these conditions. As to a central government bank, there has for many years existed a strong public prejudice against such an institution, advantageous, as in some respects, it might be. But the people might welcome it if the other alternative were a private and irresponsible monopoly of credits."

The Proof at Hand

The Philadelphia North American says: "The cost of the necessaries and many of the luxuries of life is lower than it ever was. This cannot be successfully disputed." But it can, and the proof is right hand. Look at your grocery, meat and coal bills. Look at your rent receipts. Look at your ready-made clothing bills. The North American must think its readers a precious lot of ignoramuses if it expects them to accept as truth such statements as the one quoted above.

Will You Help?

Attention is again directed to The Commoner's special subscription offer:

According to the terms of this offer, cards, each good for one year's subscription to the Commoner will be furnished in lots of five, at the rate of \$3 per lot. This places the yearly subscription rate at 60 cents.

Anyone ordering these cards may sell them for \$1.00 each, thus earning a commission of \$2.00 on each lot sold, or he may sell them at the cost price and find compensation in the fact that he has contributed to the educational campaign.

These cards may be paid for when ordered, or they may be ordered and remittance made after they have been sold. A coupon is printed below for the convenience of those who desire to participate in this effort to increase the Commoner's circulation.

THE COMMONER'S SPECIAL OFFER

Application for Subscription Cards

5	Publisher Commoner; I am interested in increasing The Commoner's circulation, and desire you to send me a supply of subscription cards. I agree to use my utmost endeavor to sell the cards, and will remit for them at the rate of 60 cents each, when sold. Name _____ Box, or Street No. _____ P. O. _____ State _____ Indicate the number of cards wanted by marking X opposite one of the numbers printed on end of this blank.
10	
15	
20	
25	
50	
75	
100	

If you believe the paper is doing a work that merits encouragement, fill out the above coupon and mail it to The Commoner, Lincoln, Neb.