

National Banking Statistics Show That a Fund of the Necessary Amount Would Soon be Created by a Comparatively Small Tax Upon Each National Bank. What Charles G. Dawes, President McKinley's Comptroller of the Currency, Had to Say About Bank Deposits Insurance

Charles G. Dawes was comptroller of the currency under Mr. McKinley. Since 1902 he has been president of the Central Trust Company at Chicago. Writing in The Public, Louis F. Post calls attention to the fact that several years ago Mr. Dawes wrote a book entitled "The Banking System of the United States." The following is taken from Mr. Post's article:

In describing in that book the "present need of our national banking system," Mr. Dawes distinctly argues for the insurance idea that Bryan advocated in congress and upon which his campaign is now advancing in the west. Referring to a proposed law, advocated by Bryan in congress, which would have levied a tax upon national banks for the purpose of creating a fund for the insurance of deposits, Mr. Dawes wrote:

"National banking statistics show that a fund of the necessary amount would soon be created by a comparatively small tax upon each national bank.

" * * * It must certainly be admitted that the establishment of such a fund would have a tendency to prevent the mad rushes of small and large depositors during times of panic, for money which they hoard away in safety deposit boxes or other hiding places.

" * * * If the effect of such a law would be to render bank deposits more stable under all conditions, as in our judgment would be the case, no law could be of more value and importance to the debtor, or to the creditor, or to the community at large. * * * Besides the great importance of the law, as related to the general prosperity of the country, it is meritorious as preventing the keen suffering in those localities where bank failures occur, and where the hard-earned savings of the community, under our present laws, are often swept away. By such a law, losses are distributed as by insurance, the beneficial effects of which need no argument. To the passage of such a law in proper form, we trust the efforts of congress will be directed."

A REPUBLICAN GOVERNOR ANSWERS A REPUBLICAN SENATOR

The following is from the Wichita (Kans.) Eagle:

Governor Hoch of Kansas has taken a fall out of United States Senator Hopkins of Illinois—the man who was so recently repudiated by a majority of the republican party in that state. Hopkins, who is a sort of official parrot to corporations and special interests, severely criticised the republicans of Kansas for having declared in favor of a bank guaranty law.

"I notice that Senator Hopkins contemptuously referred to Kansas as a state of cranks, and that this bank guaranty proposition is the legitimate offspring of such parentage," says Governor Hoch. "But Kansas is used to these javelins. For a third of a century every ambitious archer with a poisoned arrow has let it fly at Kansas, and every jaded jester has been rejuvenated at the expense of the Sunflower state. These things no longer irritate us; they only amuse us, for Kansas, always on the firing line, always engaged in some great battle for human rights, has forged forward until it is today the most enlightened, most progressive and most prosperous state in this union.

"But the depositors' guaranty proposition will not down. It is a sound and wise proposition and is based upon two fundamental theories, which Senator Hopkins and others would do well to seriously consider.

"First—That the banking business is a quasi-public business and is not only a commercial necessity but a police necessity as well; that money is property in its most portable and dangerous form; that it is unsafe for the individual to keep this form of property on his person or in his home; that banks are therefore essential to the security of life and property, and that the banker is therefore an agent of the government not only for commercial purposes, but for the police purposes as well. Banks are not chartered by law and regulated by distinct departments of governments primarily in the interest of the banker. Their interests are secondary to the interests of the public.

"Second—That the man behind the counter is as certainly a borrower as is the man in front of the counter. That the demand for security for deposits is not more unreasonable than is the demand of the banker for security for his loans. The one is as much entitled to security as the other. The national government recognizes this fact and deposits no currency in

a national bank until the deposit is amply secured.

"The state of Kansas deposits \$1,000,000 in some thirty banks in this state, but it holds in the state treasury dollar for dollar in municipal bonds for all these deposits. Now why should the nation and the state, which have the power of examining all these banks and of knowing their condition, a power not possessed by the individual, demand this additional security for their deposits and refuse to provide equal protection for the deposits of its citizens? Government is more for the weak than for the strong, and does it not seem ridiculous for the government to provide for its own protection and refuse to provide for the protection of its citizens? Let Senator Hopkins withhold his sneers long enough to answer these questions."



IS THIS "REPUBLICAN PROSPERITY?"

The following editorial is taken from the Appleton (Minn.) Press, a republican newspaper:

In the popular mind "prosperity" is associated with the republican and "hard times" with the democratic party. Republican editors have dinned the warning or threat that our boasted republican prosperity would vanish within a fortnight after the election of Bryan in our ears so long that if we don't actually believe we do vaguely fear it. If this be true, it is a remarkable admission and it indicates a remarkable state of affairs. If republican prosperity is such an airy, volatile thing it can not be founded on the bed rock of right and justice; it can not be based on true values; it can not be built upon our wealth of mine and forest and farm and factory. It argues something economically wrong. If Bryan is elected, will there be fewer fishes in our lakes and rivers; less timber in our forests; less ore in our mines; fewer dollars in the nation's coffers? Will our countless acres shrivel up; the millions of cattle of our pasture lands perish as if by plague; will our factories and furnaces vanish? Why will prosperity flee from this great country? Will there be fewer hands to labor; fewer mouths to feed; fewer backs to clothe? The threat that prosperity will cease with republican rule is either a bugaboo with which to frighten the faint hearted, or it is a confession of the most stupendous wrong, the most iniquitous abuse of power the world has ever seen, and in either case it is the most contemptible kind of demagogism, for the man who plays upon the fears of the people is surely

a demagogue, or if he has the power to back up his threats with results worse still a traitor who ought to hang higher than Haman. Republican brethren, do you not know that when you reiterate this "scare talk" you are lending yourself to the uses of industrial pirates; do you not know that to assert that hard times would follow Bryan's election is the most terrible arraignment of the republican party that can be made? Taft's defeat can not take one jot or tittle from the natural resources of our country; it will not make fewer by one the band of willing workers, nor lessen the legitimate needs of the people by so much as one loaf of bread or one pair of shoes. His defeat could not affect the natural sources of wealth, the supply of labor nor the legitimate demand for the products of man's skill, and therefore if the assertion that honest laborers would starve if Bryan is elected means anything it means that the beneficiaries of republican rule would not be satisfied with an equitable division of profits, and so would pout and bring on hard times, a thing which they might do since they have been allowed to get almost absolute control of the means of production. If this be "republican prosperity," the sooner we substitute socialism for republicanism the better.



STANDING PAT

Collier's Weekly says: "The tariff plank of the present republican platform is, in effect, the strongest demand for a prohibitive high tariff ever put in the national platform of any party, and Mr. Taft's speech of acceptance is a little stronger than the platform plank, for he frankly suggests the revision of certain schedules upward."



MUST FACE THE ISSUES

The campaign will be difficult. It is absurd to talk of a walkover for Taft. He himself makes no secret of his belief that Bryan's chances of election are better than they have ever been before. The republicans will know that they have been fighting before the battle is over. They can not bring out their old bogeys. The country is not going to be frightened into rejecting Bryan.—New York Evening Post, a Taft organ.

