

"The Folks at Home" Are With You Mr. President

about forty years the First National Bank, of which he is the responsible chairman, had made profits amounting to eighty millions of dollars on an investment of five hundred thousand dollars, a single yearly dividend amounting to nine million five hundred thousand dollars.

Another thing that has been proven under oath is the immense power over banks and banking exercised by clearing house associations. These are voluntary private organizations which, in spite of the grave and almost indispensable functions which they discharge in the banking system of the country, steadily refuse to be incorporated and thus bring themselves under reasonable public control and supervision.

It has also been shown that through identity of directors in potentially competing national banks and in subsidiary companies of national banks, with identical directors, officers and stockholders, it has been possible, and in many cases customary, for bank directors to borrow from their own banks beyond the limits set by the law. The banks refuse to make public the lists of the assets upon which they loan money or the names of the borrowers. This system of secrecy has made it impossible for the depositors in the seven thousand five hundred national banks, with total individual deposits of nearly six billions of dollars, to know how far the bank directors are using the assets for their own personal profit, the nature of the securities on which loans are made and the character and identity of the borrowers.

Comptroller of the Treasury Murray testified that the national bank examiners, in appraising the value of stock exchange securities as against the loans made upon them, usually took the current published quotations of stock exchange prices as the standard of value. Yet the New York stock exchange and other similar exchanges are voluntary private associations which absolutely refuse to be incorporated, and steadily fight against all attempts to subject them to such regulations of law as will provide an adequate safeguard against "wash sales" and other methods by which stock exchange quotations are manipulated up or down according to the purpose of stock gambling pools and individuals.

It is sober truth to say that all this makes a black picture. Mr. Baker was forced to confess to the Pujo committee that if the new power over American money and credit got into the hands of bad men it would be a dangerous thing for the country.

Mr. Morgan is seventy-six years old, and has not been in the active management of his firm for about seven years. Mr. Baker is seventy years old, and on the witness stand he declared that he had had little to do with the details of his bank for five or six years. Mr. Stillman is sixty-three years old. In every direction the great figures in the control of money and business are disappearing. The stupendous power which they have massed in a few hands is about to pass to new and younger men. It is admittedly a power for inexpressible harm to the people when in the wrong hands. It is actually a power that should not be permitted in any hands. Such ability to control the capital and credit of a great nation is a menace to liberty and progress. Its very existence is immoral and anti-social.

CHANGES THAT MUST COME

The most dangerous and evil features of this system, through which the business and industrial life and enterprise of the United States are being strangled and which now challenges the strength and courage of the people, can be eliminated by intelligent national legislation.

No bank director should be permitted to serve as a director in any potentially competing bank. The names of all bank stockholders and detailed lists of all bank assets should be made public.

No national bank should be permitted to become a member of a clearing house association which is not incorporated under national or state law and subject to regulations which will prevent it from denying membership to any solvent bank.

The stock exchanges should be compelled to be incorporated under laws that will prevent the manipulation of quotations by fictitious purchases or sales and that will provide for a just and open method of determining when stocks shall be listed and unlisted, for the power to put prices up or down, and should not be exercised in secret by irresponsible private committees. This compulsion to incorporation can be exercised through a law prohibiting the use of the United States mails or of interstate telegraphs or telephones for the quotations of any unincorporated stock exchange.

The minority stockholders in all interstate corporations should have representation in the

Editorial in the Cleveland (Ohio) Press: There was a time when the gamblers in Wall street, arrogant with the power that control of the country's credit gives, could by a threat of panic bring Uncle Sam to his knees in terror. That was in the days when the producing millions had very little to do with the men who constituted the government—in the days when government was run as a private and select affair through Standard Oil's payroll from 26 Broadway; from the Philadelphia offices of the Pennsylvania railroad; from Jim Hill's offices in St. Paul; and from Harriman's headquarters in New York and San Francisco, aided when necessary by lesser overlords here and there.

Those were good old days for the money kings, for the people were as docile and unsuspecting as sheep at the shearing.

And they surely were sheared. Thank heaven, times have changed! Twice since the election of Wilson the Wall street zinc has been rattled and the Wall street powder flashed in stazy imitations of financial thunder and lightning designed to scare him into aban-

directorates through a simple system of cumulative voting.

NO DOOR CLOSED TO OPPORTUNITY

What is there in such legislative suggestions as these that they should not be frankly adopted if not in form, at least in principle, by the men whose united genius and energy have been sufficient to amass and direct wealth on a scale hitherto undreamed of?

Remedies are necessary. That point is beyond discussion. The existing money trust, or whatever it may be properly called, can not and will not be permitted to endure. It is incompatible with public safety and the general public welfare. It closes the door to equality of opportunity and thus tramples in the dust the moral idea upon which the republic was founded. It strikes at rich and poor alike. If allowed to continue and grow it must be inevitably an unanswerable argument for state socialism, for there can be no competition of any kind in a country whose private capital and business credit is in the power of a few individuals working in concert.

To enter into another prolonged grapple with the radicalized American people on such a question as this would be madness. Common sense, experience and patriotism alike condemn such a course. This is not a matter to be settled in a spirit of arrogance or pride. It reaches down too deeply into the roots of things. It touches every bank, every railroad, every insurance company, every industry, every business and every home in the country. To attempt the dictatorial, belligerent and cynical methods of the past would be simply to inflame the popular mind into a passion for retribution.

Mr. Morgan, Mr. Stillman and Mr. Baker, all white-haired men who have gained their fortunes in this their native country, should be the first to propose and support reforms that should altogether do away with the abuses revealed through the Pujo committee. They should come out in the open at once and take advantage of the present great opportunity to secure peace and a reasonable and intelligent solution of the situation by taking the lead themselves in the work of setting our national business house in order, a work that will be done whether they assist in it or not. Surely in a country like this there should be vision enough, leadership enough and courage enough to be found in the great banks, railway companies and other great corporate enterprises to successfully bring about a restoration of the older and better condition of financial and commercial freedom in America.

The character of the legislation that must inevitably be enacted by congress to deal with the tyrannous and unendurable conditions which have been confessed to congress through its committee will be largely determined by the extent to which the present leaders in American finance, commerce and industry now exert themselves to abate the evils complained of and provide against their recurrence, and this will also considerably influence the future attitude of the people toward "big business" and high finance.

The passage by congress of the laws providing for the government regulation of railroads

and doing his progressive pledges. Wilson hasn't scared worth a cent. He has just stood pat and smiled.

The pressure may increase until his mettle is desperately tested. The forces of privilege are formidable when focused. Our history is strewn with the wreckage of men who have dared the money power. One man, even though clothed with the mighty authority of the president of the United States, can't do much unless loyally backed up by the masses of his fellow citizens.

This is to inform you, Mr. President-elect, that the home folk are with you and will stay with you as long as you fight for them. Nobody relishes even the threat of a panic, much less the serious possibility of one. But the plain people know that there isn't the ghost of a reason for a panic now, except among persons who are afraid of justice.

If a panic should be manipulated they will grit their teeth and go through with it, cost what it may. And they will help you to make certain that those who are responsible for it are gibbeted as high as Haman and twice as dead.

and railroad rates was bitterly opposed by Wall street and the railroad magnates. President Roosevelt tried to get the railroad interests to propose the law themselves so that they might get credit with the public for such a broad and reasonable attitude. The matter was discussed at a conference of railroad presidents in the Metropolitan club in this city, but the old blind rule-or-ruin spirit fell upon them and it was decided to fight the president's moderate and necessary scheme of government control and beat it on the floor of congress. Everybody will remember what a crushing defeat the confederated railroad interests met when once the matter was fought out in sight of the whole country. Yet that wise and practical legislation has so changed and bettered conditions that the former fierce, vengeful and widespread outcry against railroads has died out and little is now heard but moderate, good-natured criticism.

WILL THEY HELP OR HINDER?

What will the men who have it in their power to get rid of the present concentration of money and credit in the control of a few men do, now that they are face to face with an awakened and quickened national conscience? Will they be foolish enough to invite a costly and destructive war, with possible results that no man can foresee, or will they seek peace and good will by acting together with wisdom, patriotism and energy while there is yet time?

President-elect Wilson sounded again the new note that is thrilling the purpose and policy of this continent when he warned the business men of the country that they themselves must help the government to solve the business problems of the nation.

KANSAS' GOOD FORTUNE

When the people of Kansas read Governor Hodges inaugural they will understand how fortunate they were in securing him. He is a reformer—just such an one as his friends counted on.

READ IT TO YOUR NEIGHBOR

A. L. Bixby, writing in the Lincoln (Neb.) Journal, says: Some men harbor the foolish notion that one is greatly honored in the holding of a public office, whether qualified to fill the place acceptably or not. The only real honor is that which one earns in the faithful performance of his duty to those he serves. One may break into the legislature, or obtain a certificate of election to congress (under false pretenses) and return home smeared heavily with obloquy, and where is the honor and glory to him, in having been trusted only to betray the confidence reposed in him. The honorable man deserves consideration for what he is, and not for what has been done for him by his indulgent neighbors.