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WILLIAM J. BRYAN, EDITOR AND PROPRIETOR

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The Diggs-Caminetti Case

The editor of *The Commoner* has read with deep regret the editorial which appeared in the *New York World* of June 29, and is sure that the *World* editor will, on reflection, admit that he has done injustice to Attorney General McReynolds, Secretary Wilson and Immigration Commissioner Caminetti.

Mr. McReynolds continued the case at the request of Secretary Wilson—and it was a reasonable request. The *New York World* says that it does not doubt that Mr. McReynold's motives were honorable. If his motives were honorable, how can his act justify a demand for his resignation?

A continuance is not an unusual thing, and does not mean a defeat of justice. If such a

continuance had been asked in an ordinary case, under the circumstances it would have been granted without question by any attorney general. The fact that the father of one of the defendants is a public official ought not to alter the case.

Neither can Secretary Wilson be fairly blamed. He declares that he was considering the interests of his department and that he made the request on his own initiative and without solicitation from Mr. Caminetti. No one who knows Secretary Wilson will question either his honesty or his veracity. Why should he resign? No one could make a more satisfactory secretary of labor than he is making.

As for Mr. Caminetti, we have known him for more than twenty years, and have no hesitation in saying that there is not a more upright or

honorable man in public life. He is a progressive democrat and has, during the last two decades, been connected with all the movements that have had for their object the advancement of the public welfare. It is both unjust and ungenerous to say that he should retire from politics because of his son's conduct, even though the son has been guilty of gross and criminal immorality.

The president has examined into the facts and approved the action taken by the attorney general. When the public has had an opportunity to consider the entire case, the administration's course will be sustained. Its hold upon the public would be frail, indeed, if confidence in it could be destroyed or even shaken by one act, even if it could be shown—which is not possible—that that act was a mistake.

Mr. Bryan on the Currency Bill

The currency bill, prepared by Chairman Owen, of the senate, and Chairman Glass, of the house, in conjunction with President Wilson and Secretary McAdoo, is now before the country for discussion. It is known as the president's bill, because his influence was paramount in reconciling the differences existing between those favoring currency legislation. The president, in his message to congress, urged immediate action and was felicitous in the language that he employed. He pointed out the need of legislation which will enable the business world to make use of its securities in times of emergency. While he did not outline a measure, his message should be interpreted in the light of the bill which has already been given to the public.

The first question to be considered is whether there should be immediate legislation. It would be hard to answer this question in the negative, in view of the fact that the need for currency legislation has been emphasized in every quarter and by all who have cared to express themselves on the subject. The only justification that could be offered for delay would be that time is needed for an investigation of the subject. This objection, however, can hardly be made when it is remembered that resort has been had to nearly every form of investigation during the last few years so that it may be assumed that every one who desires to form an opinion has had an opportunity to do so.

As a matter of fact, the fundamental principles involved in currency legislation are so well understood that no delay, however extended, and no investigation, however thorough, would be likely to change the minds of those whose duty it is to act upon the matter. A request for delay may, therefore, be regarded as a motion for a continuance made by those who object to the principles upon which the bill is drawn; and a demand for further investigation can fairly be considered in the same way. So true is this, that it is quite certain that those who now favor delay, in all probability, have been the very ones to urge speedy action had the bill been differently drawn.

When the bill is considered upon its merits, one at once realizes that it is written from the standpoint of the people rather than from the standpoint of the financiers. The latter are quite unanimous in the belief that the issue of money is "a function of the banks" and that "the government ought not to go into the banking business." The democratic party, however, has consistently taken the position that the issue of money is "a function of the government" and should not be delegated to banks. It all depends upon the point of view from which one considers this question or, for that matter, any public question.

President Wilson, in his letter of acceptance and in his speeches, reiterated his determination to look at all questions from the standpoint of the people rather than from the standpoint of a privileged few. This was the central theme of his addresses and he can not well depart from this position in the framing of a currency law, especially since the democratic party has never deviated from this position in its platforms. If currency reform is to come under a democratic president, a democratic house and a democratic senate, it must come along lines in harmony with democratic history and doctrine.

The bill involves three fundamental principles:

First: The notes issued must be issued by the government and not by the banks.

Second: The issue must be controlled by public servants and not by private institutions or individuals.

Third: The emergency currency issued must be issued through state banks as well as through national banks.

The bill as prepared observes these three requirements. The right of the government to issue money is not surrendered to the banks; the control over the money so issued is not relinquished by the government; and national banks are not given a monopoly of the benefits flowing from the issue of these emergency notes.

The people, having safeguarded their rights in the three particulars above mentioned, can

afford to deal liberally with the remaining provisions of the bill. The regional reserve banks will prove of great advantage to business. Each reserve bank will be a commercial center and this center will be much nearer to the extremes than the few large cities are to the banks which have been compelled to reach the public through them. These regional reserve banks will give to the individual banks a security for their reserves that is lacking under the present system—a security which will go far toward preventing panics.

The national banks, however much they may be inclined to object to the extension to state banks of the right to borrow emergency treasury notes, will find this bill so advantageous as to make them willing to accept its provisions. The right to borrow treasury notes on an equitable basis, without having to put up bonds, is a distinct benefit, and yet a benefit which can be granted with advantage to the community represented as well as with safety to the government. When a bank is compelled to put up bonds as a security, it has already parted with as much money as it can possibly borrow upon them. Hence a bond basis reduces to a minimum the advantages to be derived from borrowing.

Why should the government require bonds as security for the loans to be made when the other security provided for is adequate? The government can have no interest in prescribing onerous conditions to the banking world. The regional reserve bank, representing as it does the banks of its district, would be financially good for the money borrowed even if it was not required to put up specific security, but its security is made greater by the fact that collateral will be put up to secure each loan.

It is possible, under this plan, to provide immediate relief to any section of the country, and thus cure in the very beginning a condition which, if allowed to continue, might precipitate a panic.

It is not contended that the bill is perfect in detail. No one, or even a few, can hope to