

## Keeping the Pledges to the People

The administration's tariff bill and the administration's currency measure represent the purpose of the democratic party to fulfill the pledges made to the people. Commoner readers everywhere are urged to write to their senators and their representatives in congress to stand by the president and oppose every effort to "doctor" the measures.

tors, because such a bank could immediately use its own reserves to the limit and also could discount a very large volume of its assets in the form of its commercial paper and, by permit, make straight loans on its other assets. This would not only strengthen a bank that might be assailed unjustly, but would give courage to other neighbor banks to lend a friendly hand to a brother in distress without fear of injury to themselves.

The member banks would also have the advantage of exchange at par and the handling of their collections at cost.

They would have the advantage of complete peace of mind and freedom from fear.

They would have the advantage of stability in their business so long as they conducted it with prudence and honesty.

They would be able to accommodate their valued customers when necessary to move the commerce of the country without any fear of injury to themselves.

Member banks would have the further advantage of being able to loan a part of their capital and time deposits for improved farm loans. Since the bank could then borrow from the federal reserve banks, the reserves which are now dead and loan such reserves at a profit, they would gain an advantage from the borrowing of such reserves quite equal to the two per cent which they now get from banks in the reserve cities.

The two per cent bonds will be protected by this bill and allowed to retain their present privileges but will go through a gradual process of retirement, and at the end of twenty years will be retired.

The advantages to the banks of the country are so decided that it is impossible to conceive of any thoughtful bank not taking advantage of the opportunity. The advantage to our ordinary business man, however, is very much greater than that to the bank because it enables any business man who is entitled to credit to obtain credit, and it will prevent a shrinkage of his assets by periods of financial stringency, and will prevent his being forced into liquidation unjustly at times when his assets will not realize a fair value.

It is for this reason that nearly all of the banks of the country are coming forward in support of this bill, some of them making valuable suggestions as to how it can be improved, but the business men of the country more strongly than the bankers are giving it endorsement. It is highly necessary, however, that not only they should feel friendly to the bill, but that they should invite their representatives in the senate and in the house to act promptly in this matter, and to perfect an improved system as rapidly as possible.

### THE OPPOSITION

Naturally a few of the big banks of New York have felt inclined to insist that they should have the right to control the new system because they think they understand the banking business better than other men. In a certain sense it is true that the bankers understand the banking business better than some other men, but it is not true that the bankers understand the financial needs of the people of the United States better than their representatives in congress and in the United States senate. Their demand for control of the new system which was set forth in the so-called Aldrich bill met with universal opposition and indignation throughout the United States. The Aldrich bill proposed giving the banks control of the banking system and giving the banks the right to issue the currency of the country. The proposed bill gives the control of the system to the people of the United States, and exercises its supervisory powers through the United States Federal Reserve Board composed entirely of the officials of the United States.

When the interstate commerce commission was established the railroads were very urgent in demanding representation upon this commis-

sion because it vitally effected them, but it would have been utterly absurd to have given the railroads control or representation upon a governing commission, whose duty was to require the railroads to deal justly with the people of the United States.

Doubtless the beef packers would like to have representation and even control of that branch of the government engaged in administering the pure food act, and the purveyors of foods and drugs would unite in a chorus of approval if they were given the right to name the secretary of agriculture and the chief and subordinates of the bureau administering the pure food and drug act, but nobody would be mad enough to turn this governing function over to the very class of people whose activities are to be supervised by the government in order to prevent abuse.

Many of the largest banks in the country and the American Bankers association have been quite patriotic in dealing with this question, and have been willing to greatly moderate their attitude and to co-operate with generosity in giving about an adjustment of this matter.

The United States chamber of commerce representing a national organization involving three hundred and fifty chambers of commerce throughout the United States have determined to co-operate to help to establish this measure, giving some valuable suggestions with regard to its improvement.

The vital principle of the bill is that it puts the United States in charge of the system for the protection of the people of the United States; it establishes twelve federal reserve banks under the control of the federal reserve board; it mobilizes the reserves of the banks of the United States; makes available these reserves for our national commerce; provides elastic currency issued by the United States; and enables the bankers and business men of the country to get every reasonable financial accommodation which their business credit justifies. This bill should by all means be passed at this called session of congress. The business men of the country and the editors of the country must do their part in calling upon their representatives to act, and not allow mere convenience, the heat of summer, or weariness, to delay prompt action.

## Making a Living

That the readers of The Commoner may be able to answer any criticisms whether thoughtless or malicious, that may be directed against me because of my lecturing during a part of my vacation, the following facts are set forth—facts that have been taken into consideration by friends—and ought to have been taken into consideration even by those politically unfriendly.

When I announced that I found it necessary to supplement my official income and that I would turn to the lecture platform as the most natural, as well as an entirely legitimate means of earning what additional income I needed, the question was at once asked, "Why is Mr. Bryan unable to live upon a salary of \$12,000 a year?"

It ought to have occurred to anyone who was tempted to ask the question that the question is not whether a cabinet officer could live on \$12,000 a year IF HE HAD NOTHING TO CONSIDER EXCEPT THE EXPENSES ATTENDANT UPON LIVING IN WASHINGTON, but whether he could ADD THE EXPENSE OF OFFICIAL LIFE TO HIS OTHER EXPENSES AND MEET THEM ALL OUT OF HIS SALARY.

Every man who has reached a position where he is likely to be appointed to a high office, has

assumed obligations which cannot be suspended when he enters office. My obligations to church, charity, education and for my insurance cannot be discontinued. They amount to more than \$6,800 per year, and these, though the largest, are by no means all, will absorb more than half the salary which I receive.

A great many public officials, especially those holding the higher offices, have incomes aside from their salaries sufficient to meet the outside expenses. It may be my fault that I have not, but it so happens that the larger part of my property is not only non-productive, but a charge upon my income. In fact, the income which I receive from that part which produces is not sufficient to cover taxes, insurance and care for that part which is non-productive. My outside income, therefore, is a minus quantity.

My income for nearly twenty years has been derived almost wholly from lectures and writing—the larger part from lectures, and since both writing and lecturing are honorable professions, there is no more reason why I should not augment my income from them than that other officials should refrain from adding to their official incomes the returns from business or investment.

I have not complained of the salaries of cabinet officers; neither would I advocate an increase, although the position of Secretary of State carries with it more entertainment than any other position in the cabinet, because of its relation to the outside world, and my acceptance of hospitality throughout the country and throughout the world has increased the amount of entertaining expected of me. But there is no rule requiring a cabinet officer to compress his expenditures within the salary limit and no criticism has been offered heretofore when cabinet officers have drawn upon their private incomes to meet their expenses when those expenses have exceeded the amount drawn from the government. I have assumed that the same privilege would be extended to me, provided the means employed by me were legitimate and provided also that public business did not suffer.

I need not defend the legitimacy of the means, since no one has so far denied that the profession I have followed is a respectable one, and it would not be proper for me to speak of the merits of the lectures themselves, and so far as I know, no one has raised a question as to their character.

I have as much reason not to neglect public duty as one can have, and those who are fair-minded ought to assume, until they have evidence to the contrary, that my vacation period will be so chosen as not to sacrifice official duty. All officials are given vacations, and where several are associated together in an office, the vacations are so arranged that work is exchanged and the business of the department goes on.

A word in conclusion. A man's expenditures grow with his income. My income, due largely to the fact of my political prominence, has been considerable, and as it has grown, my expenses, also due largely to political prominence, have grown. But I have been able to meet them and to lay aside some money each year for the past seventeen years. I have planned to forego for the next four years any additions to my accumulations, and I do not regard it as a sacrifice to do so. I so much appreciate the opportunity that the president has given me to join him in the service that he is rendering to the country, that I would gladly hold the position which I now occupy, even if to do so it were necessary to use a part of the money laid aside as a protection against old age. But I have no reason to believe that the American people would either ask or expect that of me. On the contrary, I feel sure that I shall not fall in their estimation because I prefer to earn my living, as I have done in the past, by means known to all.

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