

# The Work of the President's Cabinet

## TREASURY DEPARTMENT

Three months ago bankers throughout the country were either hostile or lukewarm in their attitude to the new currency law. Today they are racing with each other to get within its provisions. There are 7,493 national banks in the United States and on February 6, the treasury department at Washington had received acceptances from 6,314 of them. That is more than 85 per cent of the total number and it is expected that before March 1 nearly or quite the full number will have formally accepted the provisions of the new federal reserve act. Ten trust companies and twelve state banks have indicated their intention to enter the new system and with the majority of the formal acceptances have come letters from the heads of the institutions expressing the belief that the new law will prove very beneficial to the business interests of the country.

The 6,314 national banks accepting the provisions of the act have an aggregate capital of \$971,567,695 and an aggregate surplus of \$615,233,226. The paid in capital of all the national banks in the United States is \$1,068,271,261; therefore more than 90 per cent of the total capital of all national banks in the United States is now represented by the national banks which have accepted the provisions of the new currency law.

Such results as these ought to be very reassuring to the country at large and especially gratifying to the men at Washington who brought the new law into existence. When President Wilson signed the currency bill on Christmas eve, there existed in many sections of the country a feeling of apprehension among bankers and business men as to how the new law would work out. Today that feeling has almost entirely disappeared. In its place there is a pronounced feeling of optimism and business everywhere is showing the result.

A great deal of good has been accomplished along these lines by the tour made by Secretary of the Treasury McAdoo and Secretary of Agriculture Houston through the country immediately after the signing of the bill. This trip was made for the purpose of locating the federal reserve cities and to obtain information for the location of the reserve districts. Secretary McAdoo was very active in the work of drafting the new law and has been able to meet the business men of the country face to face and explain to them just what the new law means.

Their trip through the country has been something new in the line of official "junkets." It has been a business trip from start to finish, with no time wasted in politics or oratory. The tour of the country will have occupied less than thirty days and meetings with business men and bankers have been held in the following cities: New York, Boston, Washington, Chicago, St. Louis, Kansas City, Lincoln, Denver, Seattle, Portland, San Francisco, Los Angeles, El Paso, Austin, New Orleans, Atlanta, Cincinnati and Cleveland.

On the completion of the trip Secretary McAdoo will return to Washington and no announcements will be made as to the selection of federal reserve cities or districts until that time. In the treasury building at Washington a large suite of offices is being prepared for the federal reserve board, which will consist of the secretary of the treasury, the comptroller of the currency and five members to be named by the president. When this board shall have been organized the machinery of the new law will be quickly set in motion.

## DEPARTMENT OF THE INTERIOR

Extracts from report of Secretary of the Interior Lane:

It is known that there exists a feeling in the west that its affairs and needs have not been given that consideration at the hands of the national government which they merit. This feeling is not confined to speculators or exploiters. It is the sentiment of many who are without selfish motive and regard the matter wholly from the standpoint of national growth. They point to the conditions which obtain in Alaska as unparalleled among people of our aggressive and nation-building stock. So, too, they are unable

to understand why ways have not been found by which the great bodies of coal and oil lands, and the waters of the mountains made available for the generation of power and the redemption of the desert.

There is one simple explanation for the existence of this feeling. We have adventured upon a new policy of administering our affairs and have not developed adequate machinery. We have called a halt on methods of spoliation which existed, to the great benefit of many, but we have failed to substitute methods, sane, healthful, and progressive, by which the normal enterprise of an ambitious people can make full use of their own resources. We abruptly closed opportunities to the monopolist, but did not open them to the developer.

### LAND POLICY

I have said that we had put into force a new land policy, which caused dismay and discontent. Let me explain what I mean by this. It was, in fact, but a new application of an old policy. Congress has always been most generous as to the disposition of the national lands. One can not read our land laws without being struck with the fixed determination which they show that it was wisest to be quit of our lands as quickly as possible. It might almost be said that the government regarded its lands as a burden rather than an asset. We gave generously to our railroads and to the states. There was land for all, and it was the government's glad function to distribute it and let those profit who could. There was no thought then of creating timber barons or cattle kings, or of coal monopoly. The sooner the land got into hands other than those of the government the better. And this generous donor was not so petty as to discriminate between kinds of lands, the uses to which they could be put, or the purposes which those might have who got them. Land is land, save when it contains minerals; this was roughly the broad principle adopted. To classify was a task too difficult or not worth while. The lands would classify themselves when they arrived in individual ownership. And so the door was opened for monopoly and for fraud.

If the government did not appreciate the invaluable nature of its assets there were men who did. Great fortunes were laid in the vast holdings of what had but a short time since been the property of the people. There was danger that the many still to pour into the west would by necessity become the servitors of a fortunate and early few. On this discovery our indifference at once took flight. And so out of the abuse of the nation's generosity there came a reaction against a policy that was so liberal as to be dangerous.

The nation wanted home makers, but found its lands drifting into the hands of corporations which were withdrawing them from the market, awaiting a time when lands would be more scarce; it gave opportunity by many competing coal operators and iron manufacturers, but found the sources of raw material centering into a few large holdings; it wished its lands to be cleared of forests to make way for farms, but it found hundreds of consecutive miles reserved from use by the fiat of those who appreciated their worth, and many more miles of watershed despoiled of its needed covering in places where homes were not possible.

A reaction was inevitable. If lands were to be withdrawn from public service, why might not the government do the withdrawing itself? The old philosophy that "land is land" was evidently unfitted to a country where land is sometimes timber and sometimes coal; indeed, where land may mean water—water for tens of thousands of needy neighboring acres. For the lands of the west differ as men do, in character and condition and degree of usefulness. We had not recognized this fact when we said "land is land." Lands fitted for dry farming and lands that must forever lie unused without irrigation; lands that are worthless save for their timber; lands that are rich in grasses and lands that are poor in grasses; lands underlain with the nonprecious minerals essential to industry or agriculture; lands that are invaluable for reservoir or dam sites—these varieties may be multiplied, and each new variety emphasizes the fact that each kind of land has its own future and affords its own opportunity for contributing to the nation's wealth.

So there has slowly evolved in the public mind the conception of a new policy—that land should

be used for that purpose to which it is best fitted, and it should be disposed of by the government with respect to the use. To this policy I believe the west is now reconciled. The west no longer urges a return to the hazards of the "land is land" policy. But it does ask action. It is reconciled to the government making all proper safeguards against monopoly and against the subversion of the spirit of all our land laws, which is in essence that all suitable lands shall go into homes, and all other lands shall be developed for that purpose which shall make them of greatest service. But it asks that the machinery be promptly established in the law by which the lands may be used. And this demand is reasonable. Already congress has recognized in many ways the appositeness of this policy, but it is for yourself and congress to further extend this thought into our legislation.

Surely this is not a task that may be adventured upon with recklessness or without respect for the opinions of others. And the suggestions which shall be made by me are so made in the hope that they will form a basis upon which the constructive mind may work and bring forth a more efficient working plan.

### AS TO ALASKA

The largest body of unused and neglected land in the United States is Alaska. It is now nearly half a century since we purchased this territory, and it contains today less than 40,000 white inhabitants, less than 1,000 for each year it has been in our possession. The purchase was made as a means of protection against the possible aggression of a foreign nation and without the hope that it would be even self-supporting. In the intervening forty-six years we have given it little more than the most casual concern, yet its mines, fisheries, and furs alone have added to our wealth the grand sum of \$500,000,000.

For almost a generation it was the rich harvest field of a single company. Individual fortunes have been made in that country larger than the price paid to Russia for the whole territory. How rich its waters are we know, because they have been proved; but how rich its lands are in gold and copper, coal and oil, iron and zinc, no one knows. The prospector has gone far enough, however, to tell us that no other section of our land today makes so rich a mineral promise. And in agriculture the government itself has demonstrated that it will produce in abundance all that can be raised in the Scandinavian countries, the hardy cereals and vegetables, the meats and the berries off which 9,000,000 people live in Norway, Sweden, and Finland. It has been estimated that there are 50,000,000 acres of this land that will make homes for a people as sturdy as those of New England. Whether this is so or not, it would appear that Alaska can be made self-sustaining agriculturally.

This vast and unsurpassed asset lies almost undeveloped. A territory one-fifth the size of the United States contains less than a thousand miles of anything that can be called a wagon road. It has a few inconsiderable stretches of railroad which terminate, with one exception, either in the wilderness or at a private industry. Only the richest of its mines can be worked, and one of its resources of greatest immediate value to the people—its coal lands—lies unworked.

The one constructive thing done by this government on behalf of Alaska in nearly half a century was the importation of reindeer for the benefit of the Eskimo on the border of the Arctic ocean. For the white man we have done nothing—so little, in fact, that to mention what we have done is matter for chagrin and humiliation. I have thought that perhaps the scandals that have developed in Alaska have been in some part the result of a feeling that it was a no-man's land, where the primal instincts and powers were the only law.

This unfortunate condition can not be explained on the ground of the inhospitality of the Alaskan climate. A careful study of isothermal lines shows that some of southeastern Alaska has a climate more temperate and more equable than that of this city, while much of the greater portion to the north has a kindler climate than Stockholm or St. Petersburg. Moreover, our people are not stayed in their quest for homes or wealth by the rigors of a long winter. The spirit and purpose which brought them from Europe to Virginia and to Massachusetts take them today to Montana and Sackatchewan. The United States lately opened to entry a tract of land in Montana for which there were 46,000 applicants for registration, and only 7,000 of these could be given an opportunity to homestead. There is more railroad building 500 miles north