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A REPUBLICAN WIELDS THE AXE

Governor Willis, the new Ohio executive, has summarily dismissed 102 tax assessors, of whom 88 are democrats. This, of course, will be hailed by republican organs as a proper exercise of executive power. The editors of that party will at once realize the importance of having the "taxing machinery of Ohio in the hands of officials sympathetic with the state administration." And yet these same editors raise a terrible howl if any effort is made to put the machinery of the federal government in the hands of officials in sympathy with the democratic president. When a republican is removed the public is told that "a faithful public servant of great experience" has been ruthlessly separated from an official salary, and the place given to a democrat "entirely without fitness" and "purely as a reward for political services." What a difference it makes whose ox is gored!

W. J. BRYAN.

Evidence accumulates that the western railroad presidents who have been presenting "their case before the public in recent months have not been as frank as they insisted they were. In opening the case of the shippers before the interstate commerce commission Clifford Thorne of the Iowa state commission stated that the railroads were careful, in submitting evidence that dealt only with the traffic conditions of the weaker roads and omitting to throw any light on those of the roads that have been earning from 6 to 16 per cent.

When a bill was up before the New York state senate the other day, which exempted the canneries of the state from the operations of the law limiting the hours of work for women, one senator defended the bill on the ground that canning fruits is not work at all but a lighter and more enjoyable pastime than a city girl's dancing. Yet some people think that the special interests are unable longer to find reckless apologists in legislative bodies.

Dispatches from Amsterdam state that the federal council of Germany has delegated full power to each of the states in the confederation to deal as it pleases with the liquor traffic, to limit its production and sale or to prohibit both altogether. If this power is ever utilized a considerable number of eminent anti-prohibition leaders in America will understand fully what Caesar said, when he was stabbed: "And you, too, Brutus!"

The number of critics of the administration's Mexican policy and its attitude upon the question of war preparation has greatly diminished since congress has adjourned and the republican members thereof have stopped manufacturing campaign material.

Somebody has computed that within the last five years over 50,000 new laws have been enacted by the various law-making bodies. It will be readily seen that the legal assumption that everybody knows what the law is is a rather violent one.

Postal Thrift

[By Albert Sidney Burleson, postmaster general of the United States.]

The proponents of the postal savings system, arguing in support of the enactment of postal savings legislation, asserted that it would encourage among the people the formation of habits of economy and thrift. This assertion, however, was too general, judging by the results achieved since the system was put into effect on January 3, 1911. After more than four years of actual operation the postal savings system has conclusively proved not only that it has encouraged habits of thrift, but that it has done so without injury to the savings banks of the country. Inasmuch as these banks did not show during the first year, and have not shown since then, any decrease in deposits to account for the millions in the custody of the postal savings system, it may be taken for granted that practically all the savings taken in by the postal authorities consist of money that was not saved prior to 1911 or that had been kept hidden, or both.

Yet there is little doubt that today there may be \$50,000,000 more that could be added to the already stupendous total of approximately \$54,700,000 in the postal savings system Oct. 31 last. The sum mentioned is kept beyond reach of the postal savings system by the provisions of the law which limit the amount that may be accepted from a depositor to \$100 in a calendar month and restrict his maximum deposit to \$500. In compliance with recommendations made by the post office department and the president, congress passed last spring a law increasing the maximum, but limiting the amount "on which interest shall be paid to \$1,000." This law was vetoed by the president because of a senate amendment which enabled state banks and trust companies to receive deposits of the postal savings system regardless of whether they were members of the federal reserve system or not. The president desires a law that can be co-ordinated with the provisions of the reserve law. The money which goes into the postal banks is at once deposited in the government's depository banks and thus enters the channels of trade.

The \$500 limitation was essentially experimental and now has outlived its usefulness. Its retention will seriously impair the intended utility of the service, which is to restore to business uses a large amount of money secreted by skeptical or ignorant foreigners.

The greater part of the segregated \$50,000,000—and this estimate is substantially correct, because it is based upon official reports—ought to be in circulation to serve the purposes of liquid currency. It represents funds that will not find their way into the average bank, especially in the great cities, because many prospective depositors do not know its officials. This is true especially of foreign-born wage-earners, but there are many of our own citizens who are equally skeptical.

When the postal savings system was in its legislative stages there existed an apprehension in financial circles that the innovation would draw large sums of money from the channels of trade. Actual experience has shown that that apprehension was unfounded. The American Bankers' association has officially gone on record in favor of the postal savings system, with the statement that "there has been no complaint anywhere tending to show that any considerable amount of money had been deposited with the government that would have gone into the banks had the postal savings system not been in operation."

We must bear in mind that a considerable number of the wage-earners in this country are either foreign-born or of foreign citizenship. Very many of them, though distrustful of banks, were familiar with the postal savings systems in Europe. It is natural for them to seek to deposit their earnings with the United States government. They know that the government will keep faith with them; but they can not understand why it will safeguard part of their savings and not all of them! The testimony of postmasters is almost unanimous on the point that, when foreigners tender larger amounts than can be legally accepted at present, which are therefore refused, they usually decline to open an account at all. The result is that either such money goes back into hiding or is tendered at the money-order windows and sent to foreign postal banks.

Why permit this money to be returned to hiding and disuse?

I am convinced that the interest of the public

will be best served by ultimately removing altogether the restrictions on the amount that may be accepted on deposit, but this condition should be approached gradually and as experience in administering the system indicates that additional steps may be taken toward the desired goal. In my annual report I recommended that the maximum balance which may be accepted be increased, under certain conditions, to \$2,000, but limiting the amount on which interest shall be paid to \$1,000.

The war has brought out more forcibly than ever, the usefulness of the postal savings system. It is a strong factor in quieting financial disturbances, and with the advent of the war deposits at the American post offices began to grow by leaps and bounds. According to the latest available statistics, upward of \$10,000,000 has been added since August to the total of deposits for reasons directly due to the war, and if the restrictions had not existed this sum might have been trebled.

Another interesting point is that every bank failure since 1912 has been followed by substantial increases in deposits at the postal savings stations in the respective neighborhoods. But again the postal savings system has suffered because of its restrictions. There is an instance in the official records which shows the withdrawal of a single account of \$9,600 from a suspected savings bank. The depositor tendered the amount at the post office, and upon learning that only \$100 a month, and a similar sum for five months, could be accepted, he bought money orders on an Italian post office and made his deposit in Italy. These cases are not the exception; they are the rule. Yet it is very likely that, inasmuch as the bank in question was solvent and had qualified as a depository, the very fund tendered by the panic-stricken Italian would have been returned to the very bank from which it had been hastily withdrawn.

Of course, the postal authorities are proud of the postal savings system. On October 31 last there were 9,639 offices with more than 10,000 depositories (which includes branches and stations) in operation in the United States, Porto Rico and Hawaii. On that date there were about 475,000 depositors, and the amount on deposit was about \$54,700,000, which is exclusive of \$5,508,060 withdrawn by depositors for the purpose of buying postal savings bonds. The total represented an average of \$115 per depositor. In a year there had been a gain of more than 50,000 depositors.

The increase in October was about \$3,500,000 and is the second largest since the system began operation. New York City, with \$7,505,829, leads all offices, with an average daily receipt during that month of \$60,000.

Some interesting sidelights on the working of the system are given by the statistical tables for the fiscal year ending June 30, 1914. New York leads in total, but Chicago, second in the list, has an average principal per depositor of \$130, against New York's average of \$98. Roslyn, Washington, has the highest individual average, of \$257, although it is the forty-second in rank. Providence, Rhode Island, has the lowest average, with \$70, and is twenty-ninth in the list. Brooklyn, which is part of New York politically, has an average of \$80 per depositor, but is third in rank as a city.

By states, equally interesting facts are obtainable. New York is first in rank; South Carolina is last, with \$20,923 on deposit. Hawaii is next and the very lowest, with \$19,395. Texas, the largest state in the union, is also at the bottom of the list with little more than \$500,000.

It would seem from statistics that the highest totals and the highest averages obtain in states and cities, respectively, where the foreign element is strongest. Agricultural communities do not show, on a given basis, as high an average or total as communities where industrial pursuits are the rule. Yet this does not signify that the agricultural population is less thrifty; because the postal savings facilities may not appeal to the rural population as they do to the city wage-earners, and also because there is a tendency on the part of agriculturalists to buy farms on the deferred payment plan. Possible savings of cash, therefore, are turned into real estate. — New York Independent.

If the republicans insist upon making the next campaign upon protection issue—and who doubts it—then common gratitude would dictate that Boies Penrose should be the presidential nominee. We have the word of Mr. Penrose himself that his Pennsylvania triumph was due to his ardent championship of that ancient dogma.