

Bank Usury Bared by Comptroller

Following is an Associated Press dispatch:

Frankfort, Ky., Oct. 6.—John Skelton Williams, comptroller of the currency, defended today before the Kentucky Bankers' association his efforts to force national banks to reduce their interest charges to borrowers during the days of stress in the financial and business world, which followed the outbreak of the European war.

Of the 7,615 national banks in the country, Mr. Williams declared, 1,020 have sent in detailed reports showing that they have received an average of 10 per cent or more on loans. He cited, without giving names, instances in which the rate ran up to 40, 60, 1,000 per cent. In one case—that of a woman who borrowed \$3.50 for six days—he said, the bank charged \$1, or 2,400 per cent.

"These banks," said Mr. Williams, "are authorized by the government. To an extent at least, they have behind them the sanction, the prestige and the protection of the great American nation—and lending \$3.50 for six days to a washerwoman or a laborer's or a farmer's wife at 2,400 per cent.

MAKES ANARCHISTS SILENTLY

"As somebody once said of druggists' profits on powdered chalk, it gets out of the range of percentage into larceny from the person. Three hundred per cent will make anarchists silently, faster than all the I. W. W. apostles who can bawl. When national banks chartered by the government disappoint and deprive toil of its just reward, and stimulate resentment, we have prepared and fertilized the soil for a fearful crop of disaster. We can not persuade ourselves or make others believe it is right or safe for banks to charge 100 per cent a year, while the producing people about them are kept poor. I know of such banks. I do not intend to stand for them if I can help it. The country will not stand for them."

Mr. Williams said he invited senate investigation of his actions or the conduct of his office.

"A majority of the national banks are now conducting their business on a high and honorable plane and are charging fair and reasonable rates on loans," Mr. Williams said. He predicted that a well-thought-out, carefully constructed, conservative system of rural credits for the development of agriculture would come presently and said that in the meantime he expected to do all possible to protect borrowers of all grades against rapacity. He asked the co-operation of all banks further to improve conditions.

The figures he quoted, Mr. Williams said, were taken from the reports of national banks, "not pawnbrokers or recognized money sharks."

"These banks know," he said, "and you and I know that such rates are disreputable and without excuse, whatever the security for the loans may be. The bank that lends at such rates is destroying its constituency and is at the same time committing slow but sure suicide. Some reports from the south and west, the northwest and the southwest, especially in the wheat and cotton sections of the southwest, are blood-curdling. They are like stories from darkest Russia, of the oppressions inflicted upon the peasantry. The reports received at the comptroller's office show indisputably that in some states and sections borrowers and especially small borrowers, have been and are being subjected to extortions and exactions which the average man would consider impossible in this enlightened age."

Mr. Williams devoted much of his time to answering criticisms of his action in regard to lower interest rates by Senator Weeks of Massachusetts in a recent speech before Michigan bankers. He declared Senator Weeks had said that the banker himself was the man to determine interest rates, and in reply read a list of banks which showed an average rate of more than 10 per cent. It included two banks in Illinois, six in Minnesota, two in Missouri, 23 in Georgia, six in Florida, 21 in Alabama, two in Louisiana, 315 in Texas, 17 in Arkansas, three in Tennessee, 90 in North Dakota, 25 in South Dakota, 18 in Nebraska, five in Kansas, 38 in Montana, 14 in Wyoming, 37 in Colorado, 25 in New Mexico, 300 in Oklahoma, 12 in Washington, 10 in Oregon, 13 in California, two in Utah, one in Nevada and 33 in Idaho.

In one southwestern state, said Mr. Williams,

131 banks reported they charged a maximum rate of interest of from 15 to 24 per cent; 67 banks a maximum between 25 and 60 per cent; 23 banks a maximum between 60 per cent and 100 per cent, 18 between 100 and 200 per cent, and eight between 200 and 2,000 per cent.

"Most of these disgraceful rates," said the comptroller, "were for comparatively small loans." The legal rate in the state, he pointed out, was 6 per cent and the maximum authorized by special contract 10 per cent.

Mr. Williams reviewed the financial situation through the first year of the European war. He said that this country had not only avoided a financial crash, but had wiped out the floating debt of \$350,000,000 due to Europe January 1, 1915, and absorbed between 750 and 1,000 millions of dollars of American securities that were held abroad, and now is in condition to help finance the world at the conclusion of the war. He presented as a fact that the United States was now in position to buy back the American securities held in foreign lands, if they should be offered, but that "Europe had come to realize that America is the most stable country on earth," and that investors there cling to American securities as likely to be the best real values, "as the American dollar has become the world's standard of value because it commands the world's faith."

GOLD SUPPLY OF THE UNITED STATES

Giving figures to substantiate this assurance, the comptroller said "the estimated gold supply of the United States in gold coin and bullion is more than \$2,000,000,000, of which state and national banks hold \$1,000,000,000, and the federal reserve banks and the treasury \$640,000,000, leaving more than \$400,000,000 in the pockets of the people. At no time in recorded history have the banks of any country held such resources as the banks of this country hold today." Deposits in all the banks in the United States, including trust companies, had, in the past fifteen years, increased at the average rate of about a billion dollars a year, he said.

The income of the people of the United States over the expenses of living and available for development and investment amounts to 5,000 millions of dollars per annum, Mr. Williams said, and he placed the total at 30,000 millions a year. He said the total wealth of the United States, is now estimated at 210 billions, as compared with 76 billions as the total wealth of Germany in 1911; 55 billions, the total wealth of France in 1908, and 108 billions, the wealth of the whole British Empire, including the United Kingdom, Canada, Australia, India and South Africa, by the latest available computation, that of 1903.

PRESIDENT TO NAVAL ADVISORY BOARD

In his address to the advisory board, at its first gathering in Washington, October 6, President Wilson said:

"There is very little that I can say to you, except to give you a very cordial welcome and to express my very great pleasure to this association of laymen with the government. But I do want to say this:

"I think the whole nation is convinced that we ought to be prepared, not for war, but for defense, and very adequately prepared; and that the preparation for defense is not merely a technical matter, it is not a matter that the army and navy alone can take care of, but a matter in which we must have the co-operation of the best brains and knowledge of the country outside the official service of the government as well as inside. For my part, I feel that it is only in the spirit of a true democracy that we get together to lend such voluntary aid, the sort of aid that comes from interest, from a knowledge of the varied circumstances that are involved in handling a nation.

"I want you to feel, those of you who are coming to the assistance of the professional officers of the government, that we have a very serious purpose, that we have not asked you to associate yourself with us except for a very definite and practical purpose, to get you to give us your best independent thoughts as to how we ought to make ready for any duty that may fall upon the nation.

"I do not have to expound it to you; you know

as well as I do the spirit of America. The spirit of America is one of peace, but one of independence. It is a spirit that is profoundly concerned with peace, because it can express itself best only in peace. It is the spirit of peace and good will and of human freedom; but it is also the spirit of a nation that is self-conscious, that knows and loves its mission in the world, and that knows that it must command the respect of the world.

"So it seems to me that we are not working as those who would change anything of America, but only as those who would safeguard everything in America. I know that you will enter into conferences with the officers of the navy in the spirit and with that feeling, and it makes me proud, gentlemen, that the busy men of America, the men who stand at the front of their professions, should be willing in this way to associate themselves voluntarily with the government in the task in which it needs all sorts of expert and serious advice. Nothing ought to be done in this way by any single group of persons—everything ought to be done by all of us united together, and I welcome this association in the most serious and grateful spirit."

QUERULOUSNESS OR FEAR?

A great part of the press does not relax its fire on Mr. Bryan. In New York the publication of a newspaper without a daily editorial railing at him would perhaps be regarded as a departure from the standards of journalism too radical for toleration.

Is it mere inability to break away from an old habit of Bryan baiting or is it implied recognition that the Nebraskan looms now as for the last nineteen years a figure so commanding in American politics that he can be held in check only by incessant bombardment?

Is it querulousness or is it fear?—Columbia (S. C.) State.

When the Pacific Mail steamship company recently sold its fleet of ships it was taken as proof positive in certain quarters that the LaFollette seaman's act was the awful blow at American-owned vessels that vessel owners had said it was. Since it has been shown that the real reason was that the Pacific Mail being owned by the Southern Pacific railroad could not operate through the Panama canal and would, therefore, be left with little to do, a dense silence has fallen in the aforesaid quarters.

THE WIRELESS

King of the flaming thunderbolt,
Child of the storm-swept sky,
I leap and race through the roads of space,
Voice of the Sea am I.
No winding channels guide my flight,
No threads my sinews chain,
For I take my flight on the wings of light,
The Mercury of the main.

Over the crests of the writhing sea,
Under the clouds, low hung,
I flash my way through the spume and spray
Giving the lightning tongue.
I laugh while the tempest yields me way,
I scatter the driving rain,
And the sluggard wind lags far behind
The Mercury of the main.

Where the masts of the churning ships point up
To the stars through the silent dark,
I take my quest, north, east or west,
Sped by the spitting spark.
And I scour the waves and I search the land
Till the destined goal I gain,
And hearts that sigh are gladdened by
The Mercury of the main.

When Neptune scourges his sullen waves
With the lash of the tempest's breath,
And the brave ships shake and the captains quaxe
And the engines race with Death,
'Tis to me they turn in their tortured fear,
And seldom they turn in vain;
For the succor flies, to the trumpet cries
Of the Mercury of the main.

King of the flaming thunderbolt,
Child of the storm-swept sky,
I leap and race through the roads of space,
Voice of the Sea am I;
For the newer gods of the newer years,
Gods with the Titan's brain,
Have made of fire and their high desire,
A Mercury of the main.

—Washington Post.