

county treasurer, let us call him Mr. Smith, became a candidate for a third term; his competitor, whom we will call Mr. Jones, made his fight against the incumbent on the ground that a third term ought not to be given to an official entrusted with the handling of the county money. He insisted that there ought to be a change so that the books could be examined. His arguments were effective and he beat Mr. Smith. At the end of the second term he began to long for a third term himself, but for a while, remembering the issue upon which he won the office, he refrained from announcing his candidacy. Finally his desire to retain the office overcame his desire to be consistent and he entered the race for a third time. To quiet his conscience, however, he went around to apologize to Mr. Smith for the arguments he had formerly advanced and his apology ran like this:

"Mr. Smith, when you were a candidate for a third term I made the race against you on the theory that a third term was wrong. I had heard the arguments made against a third term and I really believed that they were sound, but I have been in the office two terms myself and I now see that there is no reason why a good county treasurer should not serve as many terms as he likes. I admit now that I was wrong and when I make a mistake I am just man enough to acknowledge it."

Senator McLaurin sees now that he made a mistake in risking two years of senatorial salary and he is "just man enough to acknowledge it."

The letters written by the two senators are entirely characteristic of the men. The honorable course pursued by Senator Tillman and the evasion resorted to by Senator McLaurin will increase the desire already very general among democrats to see some plan adopted which will give Senator Tillman a colleague in harmony with his constituents.

Light in the Darkness.

Among those who sneered when the people were warned of the dangers of organized wealth, none were more conspicuous than the United States Investor, a New York financial publication of high standing. When it was pointed out that we were rapidly drifting from a government by the people to a government by the banks, the United States Investor laughed away the warnings.

Those who remember the very vigorous work which the Investor did in behalf of "national honor" will be deeply interested in an editorial that appeared in its issue of May 18. Referring to the late disturbances in Wall Street, the Investor says: "The recent panic is about as good an indication as we could desire of what 'organized wealth' can accomplish when it sets about it."

This might seem to be a bit of pleasantry on the part of this staid financial authority but for the fact that further reading of its interesting editorial shows the Investor to be in a very

solemn frame of mind. In brief, it charges that the bank controlled by Standard Oil influences was largely responsible for the recent panic. "It seems to us," says the United States Investor, "that the events of the last ten days should cause the people of the United States to do a little thinking."

This is indeed a cheerful suggestion, representing as it does certain publications that have heretofore had nothing but contempt for those who have suggested that the people should "do a little thinking."

And what is the occasion, in the Investor's opinion, for the necessity of public thought? In brief, it is that one single banking institution in the United States has by the favor of the administration and by extraordinary political influence obtained such power and prestige that it can not only make and unmake men, but can wreck fortunes on the one hand, and create fortunes on the other hand and control not only the banking facilities of the country, but in the identical language of the Investor, can control "also the very government itself."

Then the Investor adds: "This nation thinks it knows pretty well what is meant by the expression 'Standard Oil methods,' and it wants none of that kind of thing in its banking. But it may be asked if it is not getting a good deal of just that kind of thing. The Standard Oil crowd have monopolized the oil industry in a way which is generally known, and it has pursued the most high-handed methods in the absorption of various other industries. It has evinced the clearest determination to make itself the predominating factor in the material affairs of the United States, and it has substantially accomplished this result. Now it looks to some as if, through the instrumentality of the City bank, this coterie were bent not only on controlling the banking facilities of the country, but also the very government itself."

"This last may seem an exaggeration, but we doubt if it is. At any rate, there was sufficient suspicion of this in the minds of the people of the United States in the latter part of 1899 to warrant a congressional committee making an investigation of the relations of the secretary of the treasury with this bank. The committee found nothing dreadful to report; but it goes without saying, that even if anything of the kind existed, it never would have been allowed to get into a congressional report."

Having said this much thus frankly, the Investor drops into its old campaign habit of offering an apology, saying that if it is true that this bank "can have anything it wants of the government, as some people claim it is true, the fact might not indicate any predetermined improper conduct on the part of the government." In support of this apology, the Investor points out that a bank with \$130,000,000 of deposits is "in a pretty good condition to make the government do about what it wants, whether the government likes it or not." Then it says:

"An institution of this magnitude has to be recognized and deferred to. It is such a tremendous power in the money market that its wishes cannot be ignored; and if its wishes should happen to run counter to the actual welfare of the nation, it might not be easy for the government to fly in the face of its mandate—the contingencies of the

moment might thrust the contingencies of the more remote future completely into the background."

The opportunities offered under this "tremendous power" are further described by the Investor. It claims that between May and December of 1899, the deposits of this bank fell off nearly \$50,000,000. The government promptly came to the relief of this banking institution and offered to deposit internal revenue receipts in the banks throughout the country, making this particular bank the depository pending the actual disbursement. The Investor points to the very general criticism of this incident, and then continuing its apology, asks,—“But what could the government do? The city bank had lost nearly \$50,000,000 of deposits, and the City evidently wanted the handling of all that government money. It would not have been a little matter for the government to have said nay.”

Then the Investor proceeds to refer to the customs house purchase, and that deal is described thus:

"The City bank bought the old New York custom house of the government; but wishing to avoid taxation, it arranged with the treasury not to turn over the title at once, and at the same time it fixed up an agreement whereby the government was to continue to occupy the premises at a handsome rent. This was certainly an instance of 'the City having it all its own way.' This is one of the 'queerest' transactions ever heard of. The important thing is not so much the fact itself, as what it signifies regarding the relations of this Standard Oil bank to the government of the United States."

It would seem that this candid statement of the "tremendous power" exerted by this bank upon the national administration completely destroys the force and effect of the mild apology which the Investor seeks to present on the question of "predetermined improper conduct on the part of the government." And this destruction is made all the more complete by the Investor's frank statement of what this great banking institution is now seeking to accomplish and its cheerful prediction of the probabilities of the success of the scheme. This is the prediction:

"Great as is its influence in the money market today, it will be immensely greater a few years hence if its plans do not miscarry. The City bank is unquestionably laying its plans to build up an institution on a very much grander scale than the present. Its purchase of the custom house site, and its obtaining virtual control of a number of other national banks, point to a policy of branch banking when the time is right. It is believed in banking circles that at the very next session of congress a bill will be introduced extending the national bank charters (which begin to run out in 1903), and that this bill will contain a clause permitting branch banking. It is quietly said among bankers that that is what the City wants, and that what the City wants it will get."

Then in conclusion the Investor says:

"We might not view with disfavor the assumption of dictatorial power by the City bank, were we reasonably sure that such power would be wielded in a manner consonant with the public good. But so long as the City bank furnishes us such little exhibitions as those of Wednesday and Thursday of last week, we may venture to doubt

**“But What
Could the
Government
Do?”**

**An Interesting
Prediction.**

**Bank Can Have
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Wants.**

**Confessions of
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Journal.**