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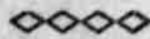
1893 AND 1907

In his letter to Secretary Cortelyou commending the government issue of bonds Mr. Roosevelt said: "There is no analogy at all with the way things were in 1893. On November 30 of that year there was in the treasury but \$161,000,000 in gold. On November 14 of this year there was \$904,000,000 of gold. Ten years ago the circulation per capita was \$23.23. It is now \$33.23."

Mr. Roosevelt might have added that at this time when the government is issuing \$50,000,000 in bonds it has something more than \$250,000,000 loaned to the banks.

Mr. Cleveland had but \$161,000,000 in gold and no money to loan to the banks but he was roundly denounced, for his bond issue, by republican papers.

Mr. Roosevelt has \$904,000,000 in gold and \$250,000,000 loaned to the banks, yet he makes a \$50,000,000 bond issue in time of peace and men who condemned Cleveland applaud Roosevelt.



POOR OLD PA.

The St. Louis Globe-Democrat (rep.) says: "Pennsylvania's largest democratic vote was 452,264. In 1896, the year of Bryan's first campaign, it dropped to 422,054. In 1900 it was but 2,200 larger. The Parker slump in 1904 was to 335,430. In the same time the republican vote of the state increased 300,000."

And about the same time, also, the people of Pennsylvania trusted the republican party to build a state house and it developed that out of the \$13,000,000 paid by the people of Pennsylvania for that state house \$9,000,000 went into the pockets of a lot of political grafters.

Surely Pennsylvania is republican!

Poor old Pennsylvania!



FIGURES

The president says: "On November 30, 1893, there was in the treasury but \$161,000,000 in gold. On November 14 of this year there was in the treasury \$904,000,000 in gold. Ten years ago the circulation per capita was \$23.23. It is now \$33.23." These are not figures on which a real panic can get a footing.

—St. Louis Globe-Democrat (rep.)
Nor do they look like figures upon which a bond issue in time of peace should get a footing.

THE POINT OF VIEW



Grover Cleveland in 1893 and Theodore Roosevelt in 1907

GUARANTEED BANKS

It is too early to say what the effect of the new bond issue will be, but the relief ought to come from other directions. The plans so far have been intended to furnish government money to the banks, whereas the most important thing now is to restore confidence in bank depositors, and thus not only prevent withdrawals, but secure deposits. While the banks are good and while the depositors are not justified in being frightened, some depositors are unreasonable and their excessive timidity may embarrass the banks. If the money that is being hidden and hoarded can be brought back into circulation the present stringency will disappear at once. It does no good to supply money from the treasury if an equal or a greater amount is drawn out by depositors.

The administration is prepared, so we are informed, to recommend a postal savings bank. While this would doubtless encourage deposits and while those deposits could in turn be handed over to the banks, it does not furnish complete relief. The plan as presented limits deposits to \$250 for one person for one year, and does not contemplate the opening of checking accounts. The business community therefore can not use the postal savings bank to any great extent and besides it would take some time to inaugurate a postal savings system and secure the necessary number of employees to make the plan effective throughout the country. It is possible for the government to give IMMEDIATE relief by an act of congress providing for the guarantee by the government of all deposits in national banks, the banks thus guaranteed to agree to reimburse the government for any losses incurred, and to make this reimburse-

ment in proportion to their deposits. The advantage of this plan is:

First—That every depositor in such guaranteed banks will feel secure.

Second—The expense of it will be paid by the banks which get the benefit of it and this expense would be small compared with the benefit gained.

Third—It can be put into effect immediately and thus restore confidence, and enable business to be resumed.

It is probable that all of the national banks would be willing to take advantage of this guarantee, because the additional security given to their depositors would be of great advantage to the banks. During the past forty years the average annual loss to depositors has been small (less than one-tenth of one per cent on the deposits), so small that it would be an insignificant tax upon the \$4,000,000,000 or \$5,000,000,000 of deposits. The government would have ample security in the capital and surplus of the banks which would voluntarily join in the plan. As each bank would become interested in the proper management of every other guaranteed bank, it would be easier to secure the legislation necessary for the correction of such abuses as may exist and for the better management of the banks—for instance, legislation preventing over-borrowing by directors and officials of the bank and legislation preventing speculation by officials. The plan suggested ought to be acceptable to the depositors, all of whom desire security, and it ought to be acceptable to the bankers, who will be well paid by the increased deposits for any tax that may be collected from them to reimburse the government. What ob-