

sion and stagnation; our progress punctuated by panics, discreditable, appalling—to many ruinous. These have usually come at intervals of about ten years, more or less, sometimes preceded by long months of sickening apprehension, sometimes foreseen by the far seeing, sometimes bursting upon us with dreadful suddenness. The immediate results, seen by all, have been crashing of banks and trusted commercial houses, the wholesale stoppage of industries, the wiping away or cruel draining of the results of honest thrift, denial to willing and hungry labor of the opportunity to earn bread and shelter.

We believe one of the most valuable and beneficial effects of this new banking bill will be to make such panics as we have had in the past virtually impossible. When there is confidence there can be no panic. The panic is, as its name signifies, fear, distrust. When the people know that their financial institutions are stable, that behind them stands a Gibraltar of solid assets, that checks will be honored on presentation and that their deposits are safe, there is no fear or doubt. It is a familiar maxim that a bank is like a woman's reputation, likely to be injured by the faintest whisper. When the banks have behind them substantially the combined strength of all other banks, and supplies of currency ready to answer their needs, limited practically only by their valid values, malice can not invent, nor credulity or ignorance accept, reports to hurt or drag them down.

Nor will their credit or their lives any longer be held at the mercy of any so-called money trust. Help for their just needs will be theirs by right, by requirement of law; they can ask with high confidence of receiving aid, instead of depending for it on the doubtful answer of their supplicants. They will not know, as many of them have known, the misery of begging vainly for the use of their own money held by reserve or central reserve banks, and of suffering impairment or disaster because of being denied return of what they had intrusted for safe keeping. A leading banker of Seattle, vice-president of the clearing house, testified before the reserve bank organization committee sitting in that city, a few weeks ago, as follows:

"Let us go back," said he, "for a moment to the panic of 1907. If we could have drawn our money in this district from Chicago, New York and St. Louis, we would not have known that there was a panic in existence. Conditions were all right out here, but our resources were simply tied up and we were helpless."

Understand it is not assumed, or promised, that this new law will perform the functions of Divine Providence,—shower blessings on everybody or establish universal prosperity. Nor will it bolster up or save banks improvidently, recklessly, or corruptly managed. It is intended to enable banks honestly and sagaciously conducted to enjoy the legitimate results of their own integrity and sagacity. Its purpose is to enable the natural and just laws of trade, beautiful, symmetrical and sane, when undisturbed—as is the law of gravitation—to work to their results naturally and smoothly. It will provide no artificial stimulant or prop. It will remove artificial barriers to prosperity, unnecessary burdens, perils and impediments. It can not provide immunity from such disasters as short crops, great fires or earthquakes, or disorders at home or complications abroad. It will, we think, restrain the effects of these within the limits of the unavoidable, and prevent them from being exaggerated and wantonly magnified in their effects.

It will save prudence and good faith from sharing the punishment earned by imprudence and bad faith, perhaps a thousand miles away. It will guard straight and open business against the evils brought by crooked and crafty business. It will protect sturdy conservation and well intended enterprise from the violence, the cupidity, and the mastery of dollars assembled and used for brigandage; establish barricades about capital properly employed against what a distinguished traveler and expert has described as "predatory wealth." It is hoped and believed that this law will prevent the alternating money gluts and money famines daily reported in the newspapers, by providing supplies of money to flow automatically, responsive to need. We can not see how it is possible with this law that we can undergo again the dismal, man-killing, heart-racking conditions of 1907 and 1893 and other "panic years," when money could not be borrowed for any emergency or on any collateral or terms; or that it will hereafter be within the power of any group or confederation of financiers, however ravenous, cruel or crazed, to force a panic or conditions to cause one; for the

money supply may not hereafter be impounded, locked up or deviated from its channels; but should rise irresistibly to the level of the necessity.

The history of commerce teaches us that the business man can provide against every danger that may come in the natural course of things; he is overwhelmed by manufactured explosions or insidious attacks coming suddenly from rear or flank. We are told that for every disease, loss or pain nature inflicts she provides a remedy; that for every sorrow and trouble permitted by Divine Providence to come upon the sons of men there is alleviation. It remained for the rapacious ingenuity, or blundering blindness, of man, or the two in diabolic combination, to devise hurts for which there is no relief but comprehensive changes of systems and machinery.

NEW YORK HAS BECOME THE COMMERCIAL CAPITAL OF THE COUNTRY, THE GREAT CITADEL OF THE MONEY POWER, THE RESERVOIR OF MONEY SUPPLY. IT IS THE WALLED CITY FROM WHICH THE BARONS HAVE LEVIED TRIBUTE ON A TERRITORY AND POPULATION VASTER THAN ANY LORD OR KING OF THE MIDDLE AGES DREAMED OF, YET SOMETIMES USING METHODS RUTHLESS AND SAVAGE AS THOSE OF THE FIERCEST OF THE ROBBER NOBLES—FORAYS AND LEVIES DEVASTATING BY SCIENTIFIC, ARTFUL METHODS; PILLAGING UNDER FORM OF LAW, SMITING WITH SWORDS WHICH BITE DEEP, ALTHOUGH WE CAN NOT SEE THEM, CONSUMING WITH FIRE WHICH COMES INVISIBLE AND UNSUSPECTED. THE SIMILE SEEMS STRONG, BUT IT IS JUSTIFIED BY FACTS.

NO SUDDEN SWOOP BY A FEUDAL MAGNATE ON HIS PEACEFUL NEIGHBORS WAS A MORE CRUEL OR SHAMELESS PLUNDERING EXPEDITION THAN SOME OF THE TRANSACTIONS WHICH HAVE BEEN BROUGHT TO LIGHT BY WHICH THE SHAREHOLDERS OF RAILWAYS AND OTHER GREAT ENTERPRISES, ESTABLISHED TO BUILD UP THE COUNTRY AND TO PROMOTE THE PUBLIC INTERESTS, WERE DESPOILED. THEIR PROPERTY AND MONEY WERE TAKEN FROM THEM BY THE MIGHT OF MASSES OF MONEY WORKING STEALTHILY. THE RAIDS HAD NONE OF THE ATTRACTIVE MERIT OF COURAGE. THEY WERE COLD BLOODED, RELENTLESS SEIZURE OF OTHER MEN'S GOODS BY PLOTS, TREACHERY AND BETRAYAL OF TRUSTS WHICH SHOULD HAVE BEEN HELD SACRED.

Yet it would be foolish, unjust and wicked to hold New York as a community, or her leading citizens generally, among whom are men as high and honorable as any country contains, responsible for the misdeeds, treachery and lawlessness of certain conspicuous offenders. Without doubt, the overwhelming majority of the citizens of our great cities, as of our people generally, have viewed such violations of laws, legal and moral, with as great abhorrence as any of us, and have felt the blush of shame that such crimes are possible in this enlightened age and under the form of government which has also produced our long procession of heroes, patriots and statesmen.

Every thinking and patriotic American must exult in New York's splendid achievements; in the glories she has built, which have made her the wonder and admiration of the world. The people of the south would be ungrateful if they forgot the generosity of her people when trouble had come upon them from fire, earthquake and pestilence, and her purse has been opened wide to every appeal from any part of the land.

The purpose should be to change the relation of New York to the country generally from an attitude of dominating ownership to friendly partnership. Big as New York is, it is not big enough to direct the destinies of this continent. Fast as it has grown, it has not grown so fast as the United States has grown in wealth, capacity, population, thought and aspiration.

No one reservoir is wide or strong enough to hold and control the money supply for the inconceivably tremendous activities in which we are engaged, for our endless variety of industries and enterprises, our different climates, seasons and products, our requirements sometimes crowding and conflicting with each other. No group of men at any center, however broad in mental grasp or earnest in intent to seek the best results for all, can be entrusted safely with the unlimited and unrestrained control and direction of the flowing and recall of supplies of currency for the needs of the present, and the

increasing needs that will come with the near future.

IN OUR POLITICAL AFFAIRS WE IMPOSE ON THOSE TO WHOM WE ENTRUST AUTHORITY THE MOST CAREFUL AND ELABORATE RESTRICTIONS. WE DRAW LINES BEYOND WHICH NO GOVERNMENT OR REPRESENTATIVE OF GOVERNMENT IS PERMITTED TO STEP. WE HAVE DECREED THAT THE HUMBLEST HOME SHALL NOT BE INVADDED BY STATE OR FEDERAL OFFICIALS, THE SMALLEST BIT OF PROPERTY SHALL NOT BE SEIZED, THE MOST OBSCURE MAN SHALL NOT BE DEPRIVED OF HIS LIBERTY, WITHOUT DUE PROCESS OF LAW. YET WE HAVE PERMITTED TO GROW UP WHAT IS APTLY CALLED AN "INVISIBLE GOVERNMENT," MORE POWERFUL IN MANY RESPECTS THAN THE VISIBLE GOVERNMENT, TOUCHING OUR DAILY LIVES MORE INTIMATELY AND IMMEDIATELY THAN ANY GOVERNMENT CAN DO, REACHING INTO THE VAULTS OF OUR BANKS, THE SAFES OF OUR MERCHANTS, THE CUPBOARDS OF OUR HOUSEWIVES. ON THE POWER OF THIS WE HAVE SET NO LIMIT. WE HAVE LEFT IT UNRESTRAINED. WE HAVE ALLOWED IT OMNIPOTENCE WITHOUT RESPONSIBILITY; PERMITTED ITS OPERATIONS TO BE CONDUCTED, TOO OFTEN, WITHOUT POSSIBILITY OF APPEAL OR REDRESS.

WE DEMAND OF A TOWNSHIP CONSTABLE, THE PETTIEST OFFICER OF THE LAW, THAT HE GIVE BOND FOR FAITHFUL PERFORMANCE OF HIS DUTIES; THAT HE SHALL OPPRESS NO CITIZEN, SHALL FAITHFULLY RETURN THE FEW DOLLARS HE MAY COLLECT. UNDER OUR LAWS CONTROL OF MILLIONS AND BILLIONS OF DOLLARS, POWER TO CONFISCATE OR DESTROY RAILWAY SYSTEMS, GREAT MANUFACTURING INDUSTRIES, TOWNS AND CITIES, ARE FORCED TO THE KEEPING OF UNKNOWN MEN WHO GIVE NO SECURITY, ARE RESPONSIBLE TO NOBODY, WHO REMAIN UNDISCOVERED, AND ACT FREQUENTLY THROUGH ACKNOWLEDGED "DUMMIES," UNTIL SOME ACCIDENT, SOME CHANCE QUESTION BY AN INVESTIGATING CONGRESSMAN, OR INQUIRY BY A NEWSPAPER REPORTER, BRINGS THEM AND THEIR TRANSACTIONS INTO THE LIGHT. EVEN THEN USUALLY THERE IS NO PROVISION FOR RECOVERY BY THE INJURED OR FOR PUNISHMENT OF THE WRONGDOER, NO BOND ON WHICH ANYBODY CAN SUE.

BENEATH HIS SKIN EVERY AMERICAN CITIZEN OF EVERY STATION AND AVOCATION AND WHATEVER PARTY NAME HE MAY WEAR, IS A DEMOCRAT IN ALL THE ESSENTIALS AND FUNDAMENTALS. THAT IS, HE IS ATTACHED PASSIONATELY TO THE PRINCIPLES OF LOCAL SELF-GOVERNMENT, OF THE WIDEST INDIVIDUAL LIBERTY COMPATIBLE WITH THE GENERAL WEAL AND ORDER OF SOCIETY. THIS NEW CURRENCY MEASURE IS DEMOCRATIC ESSENTIALLY. IT LOOKS TO DECENTRALIZATION OF DIRECT FINANCIAL CONTROL, TO FINANCIAL LOCAL SELF-GOVERNMENT SO FAR AS IS CONSISTENT WITH STABILITY AND THE GENERAL SAFETY; TO A CURRENCY WHICH WILL BE WORTH ITS FACE VALUE EVERYWHERE, WHICH WILL BE BASED ON THE ACTUAL VALUES IT PURPORTS TO REPRESENT, AS WELL AS THE FAITH AND CREDIT OF THE GENERAL GOVERNMENT, AND WHICH YET WILL BE ELASTIC, EXPANDING TO MEET NEEDS WHERE AND WHEN THEY DEVELOP, RECEDING WHEN NOT NEEDED; A SYSTEM FITTED TO MEET ANY EMERGENCY; MOVING SMOOTHLY AND NOISELESSLY FOR THE ORDINARY USES OF BUSINESS IN TRANQUIL TIMES.

Too much money and too little money are alike evil and dangerous. Opinions differ as to which is the worse. Probably one is as bad as the other. The design of the new law is to supply just enough money, or credit, when and where business needs it, to create for our commerce, as has been said, foundations so even, so broadly laid and so deeply planted that they can not be shaken.

As it is, the country bleeds and sweats to the big financial centers. Take the south as an instance—and the conditions with which you here in North Carolina are familiar exist everywhere in the country. Most of our railway systems are controlled, frequently through the trust known as the voting trust—by men who are interested

(Continued on page 20.)