

States. What action should be taken, and prospects and probabilities as to what action will be taken." It might be argued that this all refers to the question of the free coinage of silver, for while many of us hoped that we were to be compensated for the sufferings of 1893 by never hearing any further arguments in favor of free coinage, it seems that we were deluded and questions of currency and banking reform do not actually exist as "practical politics" until the question is settled. But if,—a very great if,—if we can dispose of the question of free coinage and face the problem of what is to be done with the Bland silver certificates and the Sherman legal tenders, is it not clear that any plan for their retirement must be very gradual indeed?

With all these difficulties it will be strange if any but compromise measures are effected at first. Too many existing interests have to be convinced, too many selfish sectional views will be pushed forward, and the necessary changes are too radical to be effected without the aid of the great adjuster, time. But with the growth of State banking associations such as this, as well as some self-assertion by the American Bankers' Association, it is to be hoped that bankers will soon possess unanimity of opinion as to the reforms they desire, and influence with Congress to put their views into effect. If they are united there can be no doubt about their enormous influence. I say this with knowledge of the frequently expressed opinion that American bankers lack political influence. Individually, perhaps, but collectively and unitedly, I am sure this cannot be true.

And now, if you will permit me, I will outline in a few words the shape which in my opinion the first reforms in banking in this country should assume. I am aware that I was asked to speak about the practical issue of the moment, and I am only advancing a theory,—and one which I fear may not even be acceptable to the banks of very small capital, even if acceptable to others. But such as it is, it is all that I have to offer.

1. The National Banking System, including the bond-secured notes, and the ten per cent. tax on State-bank issues to continue, with such alterations in details as may be necessary. If the reforms proposed were shown by time to be successful, other measures looking to the extinction of the National Banking System and the ten per cent. tax could be considered when necessary.

2. Any bank with a paid-up capital of \$1,000,000 or over, to be allowed to issue notes, say to the extent of 75 per cent. of the paid-up capital, secured only by being a prior lien on the assets of