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ECHOES OF THE AMERICAN BANKERS' CONVENTION.

The following are extracts from papers presented at the Convention of the American Bankers' Association, held at Denver, Col., early in the month:—

For the first time in the history of America there is a general feeling that issue is now joined, or about to be joined, between the power of accumulated capital and the privileges and opportunities of the masses of the people. The power of accumulated capital is now, as at all other times and in all other circumstances, in the hands of a comparatively small number of persons, but there is a very widespread impression that those persons have been able in recent years as never before to control the national development, in their own interest. The contest is between capital in all its larger accumulations and all other less concentrated, more dispersed, smaller, and more individual economic forces; and every new policy proposed has as its immediate or ultimate object the restraint of the power of accumulated capital, for the protection and benefit of

those who cannot command its use.—Dr. Woodrow Wilson.

Bank Loans to Wall Street.

Another adverse criticism is that our bankers during the panic loaned large sums of money in Wall Street to promote stock speculation and take advantage of high interest rates. In one sense I cannot say that this is not true. Wall Street required a large amount of credit to meet maturing obligations; the failure of a prominent Stock Exchange house would in its effect upon the general situation have been more disastrous than the failure of a large mercantile house or industrial corporation. The New York Stock Exchange represents in the volume and money value of its transactions the largest business interest in the country. Among its members are many large and important banking houses whose business is strictly legitimate and non-speculative. During a panic these interests must be protected. It is true that large sums were loaned in Wall Street during the panic, but it was not for gain or to promote stock speculation, but to protect weak spots that had been discovered and to arrest and prevent the further spread of the panic in New York.—Alex. Gilbert, President New York Clearing House.

Guarantee of Bank Deposits.

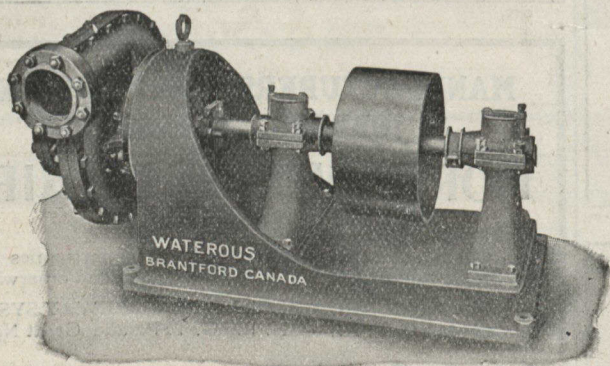
It is claimed that a guaranty fund would protect depositors in time of a panic. No matter what the fund amounted to, it would not be effective in time of a panic, such as that through which we have just passed, unless this fund were available for immediate use, which would mean a vast amount of actual currency hoarded in the vaults of the United States treasury and different State treasuries for that purpose at all times. It is folly to consider such a guaranty fund available for immediate payment of deposits at any and all times. The recent comptroller's report shows that there were in 1907 as many as 19,746 national, State, and private banks, with aggregate deposits of \$13,-

077,300,000. If 5 per cent. of this amount, which is the figure named in Mr. Fowler's bill for a guaranty fund, be set aside, it would equal a fund of \$664,980,000. This approximates 20 per cent. of the total banking capital of the country. It exceeds in amount 23½ per cent. of all the currency in circulation in the United States, and it is more than \$7.50 per capita of our entire population. The withdrawal of this sum, or any material part of it, from the channels of trade would work serious detriment to our commercial interests and entail great loss upon the banks of the country. To avoid this loss and inconvenience, this fund would of necessity have to be invested, and if invested, it would be no more available than the current negotiable assets of the banks. It would then become a fund available at some future time, and neither the knowledge of a guaranty fund nor the fact that ample security is available at some future time will prevent a panic, as those can testify who have reason to know that currency and only currency will answer while the scare is on.—Col. F. H. Fries, President Machonia Loan & Trust Company, Winston-Salem, N.C.

The Chinese are amused at the fuss made by the Socialists of the Western nations. They had their experience with the delusions of Socialism nine hundred years ago. Seventy-five years ago the banks of New York made a trial of Mr. Bryan's guarantee plan—that is, it has so far been Mr. Bryan's plan, he may drop it and take up something else before the campaign is over. The Safety Fund system, to be sure, differed in some respects from Mr. Bryan's nostrum for the guarantee of bank deposits, but the inherent vices of the two systems are the same.—New York Times.

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