The Outlook

NEW YORK, JUNE 6, 1908

Vol. 89 *No. 6*

Published by the Outlook Company, 287 Fourth Ave., New York. Chicago Office, Marquette Building.
Lawrence F. Abbott, President. William B. Howland, Treasurer. Karl V. S. Howland, Secretary.
Lyman Abbott, Editor-in-Chief. H. W. Mabie, Associate Editor. R. D. Townsend, Managing Editor.

$3 a year *10c. a copy*

The New Currency Law In accordance with the frequently recorded hope and expectation of The Outlook, Congress has passed an emergency currency measure. The new law is a combination of the plan of Senator Aldrich, of Rhode Island, embodying the views of the Senate, and the plan of Representative Vreeland, of New York, embodying the views of the House. It does not disturb in any way the present National bank note currency of the country, which is based upon Government bonds, but provides a means by which an additional volume, amounting to a total of $500,000,000 if necessary, may be issued by the National banks in case of a currency stringency like that from which the country has so seriously suffered during the past winter. Any National bank may avail itself of the privileges of the bill by either one of two methods, or by both methods combined, provided it already has notes outstanding based upon Government bonds under the present law to an amount not less than forty per cent of its capital stock. The two methods above mentioned may perhaps best be illustrated by a concrete example. Suppose that the Storm King National Bank of Cornwall, New York, wishes some currency in addition to its regular bond-secured notes. With the approval of the Comptroller of the Currency, the Treasurer of the United States, and the Secretary of the Treasury, it may obtain from the Government bank notes bearing its own name and guaranteed by the Government, by depositing with the Government, as collateral, any State, city, town, county, or other municipal bonds which conform in value to certain standards defined in the new law. Under this method the bank, by its own individual action, can take out new circulation up to ninety per cent of the market value of the bonds. Or, if the Storm King Bank does not possess such bonds and does possess good assets, such as commercial paper or other securities of recognized value, it may join the National Currency Association of its neighborhood which is created by the law. No combination of banks can keep any other bank out of such an Association if it complies with certain general regulations of the Act. The Storm King Bank will then be able to issue new notes up to seventy-five per cent of its collateral deposited with the National Currency Association. This collateral may include "two-name commercial paper"—that is to say, promissory notes given in exchange for actual merchandise—and must be satisfactory to the Secretary of the Treasury and guaranteed by all the banks of that particular Association. Each bank in the Association is to have a voice in its management, and the Association may require the collateral deposited by a member bank to be good and sufficient in its judgment, on exactly the same commercial principle which governs the treatment of a merchant's or a manufacturer's collateral by a commercial bank of which he is a customer. A graduated tax amounting in its maximum form to ten per cent is imposed upon this emergency currency; this tax, it is believed, will effect the recall and redemption of the emergency currency when the period of stringency is past. The amount of currency which any one bank may issue, either individually or through a Currency Association, is determined by a system of proportion set forth in the bill. The life of the new law is limited to a term of six years, and the measure creates a Currency Commission, to consist of nine Representatives and nine Senators, to consider the whole question of banking and finance, with authority to examine experts and other witnesses under oath.

ular rights and popular justice, employed every artifice known to the filibuster and reactionary to obstruct the passage of the Aldrich-Vreeland Bill. We do not know how he can explain his attitude to the farmers and merchants of the country whose welfare the bill will undoubtedly promote and protect, except on the ground that the word "bank," in whatever piece of legislation it appears, raises before his eyes the hobgoblin of "frenzied finance."

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Who is "in the Hole"? One of the important measures which Congress failed to enact was that which provided for the publication of National campaign contributions. Though the end of the bill was tragic, there was connected with it a foolish farce. The farce was performed by the Republicans in Congress, who, as we reported last week, attempted to foist upon the Democrats the responsibility for the defeat of the bill by tacking to it an irrelevant and obnoxious provision in no wise furthering the object of the bill. As The Outlook said last week, Mr. Taft had expressed himself in favor of a publicity measure. Mr. Bryan, however, had evidently not seen the despatches which announced that fact. He consequently sent the following message to Mr. Taft:

I beg to suggest that, as leading candidates in our respective parties, we join in asking Congress to pass a bill requiring publication of campaign contributions prior to election. If you think best, we can ask other candidates to unite with us in the request. W. J. BRYAN.

In reply Mr. Taft telegraphed to Mr. Bryan as follows:

Hon. William J. Bryan, Lincoln, Neb.:

Your telegram received. On April 30th last I sent the following telegram to Senator Burrows, the Chairman of the Committee on Privileges and Elections, of the Senate:

My Dear Mr. Burrows: I sincerely believe that it would greatly tend to the absence of corruption in politics if the expenditures for nomination and election of all candidates, and all contributions received and expenditures made by political committees, could be made public both in respect to State and National politics. For that reason I am strongly in favor of the passage of the bill which is now pending in the Senate and House, bringing about this result so far as National politics are concerned. I mark this letter personal, because I am anxious to avoid assuming an attitude in the campaign which it is quite possible I shall never have the right to assume, but so far as my personal influence is concerned, I am anxious to give it for the passage of the bill.

Very sincerely yours,
WILLIAM H. TAFT.

Since writing the above, in answer to inquiry, I have said publicly that I hoped such a bill would pass.

W. H. TAFT.

Mr. Taft's telegram is characteristically brave and frank; Mr. Bryan's telegram is as dignified as it is candid. The fact that the two principal candidates for the Presidential nomination have independently taken this position is bound to have an effect on future legislation, and even for the present will make public opinion more sensitive to political cleanliness. The unjustifiable opinion is expressed in some quarters, where every utterance by any public man is interpreted as a political maneuver, that Mr. Bryan attempted to put Mr. Taft "in a hole." The real occupant of the hole, however, is that group of Congressmen who find themselves facing a campaign after killing a bill to which both candidates are voluntarily and publicly committed.

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State Prohibition in North Carolina The onslaught on the saloon in America shows no sign of abatement. Last week Tuesday, North Carolina, by a popular vote of over three to two, adopted State prohibition. Although both sides expected a victory for prohibition, very few anticipated so decided a majority. Remarkable as this result is on its face, it is still more remarkable in the light of several considerations. In the first place, most of the State was already no-license. Of the ninety-eight counties, only sixteen licensed saloons and only twenty-one maintained dispensaries. In sixty-one counties, therefore, the people opposed to all sale of liquor, it might naturally be supposed, would view the result with indifference, as it could not directly affect their communities. Moreover, the law already confined even such sale of liquor as was permitted by local option vote to incorporated towns. Consequently the rural districts even in license counties would have been to a large extent unaffected whichever way the vote went. Nevertheless, these regions, with some exceptions where the people recorded their resentment against the existing law, rolled up enormous majorities in favor of State prohibition. Even more surprising was the vote in favor of State prohibition registered in such towns as Salisbury, Winston-Salem, and Wilmington, which no one imagined could be carried for no-license in a local option election. It is interesting to note that of the thirty-seven counties which allowed saloons or dispensaries, only five voted against State prohibition. The campaign was, moreover, practically free from agitation by professional temperance orators, and, except in three or four communities, from public demonstrations by children and women. The absence of such marks of excitement during the campaign makes the decisiveness of the result all the more striking. It is noteworthy that the largest majorities were recorded in those mountain counties where years ago the population suffered most acutely from the existence of distilleries. The vote throughout the State is normally about 215,000. On this occasion it amounted to about 189 000. This is not as light as it appears. When it is remembered that the issue was impersonal and that the decision was hardly in doubt, the vote was really heavy.

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Causes and Prospects Of the four Southern States which within the past few months have adopted State prohibition, North Carolina is the first to adopt it by popular vote. This vote marks a revolution in public sentiment on liquor legislation. In 1881 the question was submitted to the people of North Carolina, and the majority against State prohibition was even more sweeping than the present vote for it. There is a difference of about a hundred and twenty thousand in the two elections. It is ascribed to three causes. One is the disfranchisement of illiterates. This excluded about seventy thousand negro votes, which in the election twenty-seven years ago and in local option elections since were manipulated to the great injury of civic affairs. In the election of last week, on the other hand, it is estimated that nine-tenths of the negro vote, which was cast by men qualified by an education test, went for State prohibition. Another cause is the educative effect of local option. For years the voters of North Carolina have been trained, by the necessity of voting on the issue between license and no-license in the several counties, to consider, discuss, and decide the question of the liquor traffic. The third cause (not unconnected with the other two) is the rise of a determined moral sentiment. Those men among the anti-saloon forces who, like Mr. J. W. Bailey, believe State prohibition to be less effectual than local option, yielded to the judgment of the majority on a question of method and joined heartily in the fight on the moral issue. There was scarcely a single leader of ability engaged in the fight against State prohibition. On the other hand, many men of prominence led the prohibition forces—as, from the Republican ranks, Judge Jeter C. Pritchard, of the United States Circuit Court, formerly United States Senator; and, from the Democratic ranks, Governor Glenn, ex-Governor Aycock, and United States Senator Simmons. The law adopted prohibits the manufacture of liquor (except wine and cider under guarded restrictions) and all sale of liquor (except for medical purposes under equally guarded conditions). It goes into effect on January 1, 1909. Prepared for by twenty years of agitation and education through local option, supported by an unusual majority vote and by the political leaders of the State, prohibition in North Carolina will begin most auspiciously. If prohibition can succeed anywhere, it ought to succeed there. If it fails there, it can scarcely succeed in any American State.

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Two Vetoes by Governor Hughes Of the nearly five hundred bills left at adjournment by the New York Legislature for the consideration of Governor Hughes, 355 became law, while 140 were vetoed by the Governor or failed to secure the necessary approval of the local authorities. Among the measures which were disapproved was the Robinson bill to amend the Rapid