

A SORRY SHOWING.

Practical Workings of Oklahoma Bank Deposit Guarantee Law Explained.

reckless Banking and Speculative Methods Follow Passage of Law.

The practical workings of the Oklahoma law guaranteeing bank deposits were described by Mr. J. W. McNeal, one of the most substantial bankers of that state, and president of the National Bank of Commerce, Guthrie, in a short public address at Denver, Oct. 1, 1908.

Mr. McNeal said: "To my mind it is the most vicious and pernicious law ever forced on a body of honorable men. It contains a provision for an unlimited mutual liability for all the defalcations, lack of judgment, dishonesty and incompetent bankers, without any recognition of the time-tried strong banker, who may have spent a lifetime in building up his reputation. Under the provisions of this law, the State Banking Board is required to levy an assessment equal to one per cent of the average deposits in each bank, and in the future, to levy as often as may be required, a sum sufficient to maintain this fund, at one per cent of the average deposits of the state.

Wild Cat Banks.

What has been some of the results of the actual operation of this law in Oklahoma? There have been seventy-seven new state bank charters issued since the adoption of this law, forty-two of these with a capital stock of only \$10,000 each. There has been a regular hegira for starting new state banks without regard to the necessities of the community or the character of the men starting the banks.

We have one instance of where a man failed in Kansas, under his own name, then started up in business under his wife's name and failed, beating his creditors out of \$70,000, not paying them a cent. Under the old territorial law, he attempted, under the guise of relatives to start a bank, but in two years his business was so trifling that it forced him out of the business. He now has already started three banks in Oklahoma and boasts that he will start twelve more. Within sixty days from starting one of his banks, I am informed, and his statement shows, that he had a deposit account of over \$100,000. His cashier is under indictment for embezzlement. I hope and trust that he will be able to explain the matter without wrong to him. I only mention these facts to show that it is immaterial what character of men are at the head of banks; they get the business by claiming that the state is guaranteeing them and it makes no difference whatever as to the character or personality of the officers. A man may gamble on the Board of Trade, may fight joint whisky, may lead a riotous life, and go out and solicit deposits, saying 'What do you care what kind of a life I lead, the state is behind me?'

Banks Without Capital.

Two men recently started a bank of \$25,000 capital in Oklahoma City, a town of forty or fifty thousand inhabitants. When asked how they expected to succeed with a bank of \$25,000 capital in a city of that size, one of them replied: "What do we care about capital, the state is in partnership with us." The president of the First National Bank of Perry was also a merchant and failed in business and was compelled to go through bankruptcy. Naturally he had to resign his connection with the First National Bank. He now has taken out a charter and is president of a state bank in Oklahoma. One man, who prohibition closed his saloon, quit the saloon business and started up a bank and has thirty or forty thousand on deposit.

There can be but one deduction from this enormous rush for starting new state banks. They are being started by irresponsible, inexperienced men, and instead of indicating a solid growth for the state of Oklahoma, they indicate an era of irresponsible and wild-cat work.

One of the dangerous evils of this Guaranty Law is that it guarantees credit deposits as well as cash deposits. Now, you all know that not more than one-tenth of a bank's daily deposits are in actual cash. Nine-tenths are credit deposits, are either checks and drafts or proceeds of loans. When these credit deposits, that are made as the proceeds of a loan, are guaranteed, the guaranty certainly reaches to the guaranteeing of the loan itself, for the reason that the deposit is merely the result of the loan.

Pettititious Deposits.

I have heard it discussed, and I think it feasible for a dishonest man

When Mr. Taft defends his own record as a judge or his attitude toward labor or his policy in the Philippines or his administrative work in the War Department, he makes strong and vigorous speeches—New York World (Dem.).

The United States has added to our trade, already, something over one hundred million dollars a year."—Mr. Taft, at Cleveland, O.

Don't Forget It.

Critics west and east should remember that it is pre-eminently important as President Roosevelt has recently pointed out, that Mr. Taft should have a Republican Congress with him. This is a consideration which transcends in importance the personality of any one man, or his views on any one topic—Boston Transcript.

Between denouncing Roosevelt and standing for Roosevelt's policies Bryan is having quite a thrilling joint debate with himself.

The course of the administration has only been directed against such organized capital as was violating the statutes of the United States—and to other. The business men of our community as a whole are honest and their methods are sound."—Mr. Taft, at Boston, Mass.

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TO MIDDLE WEST AND ROCKY MOUNTAIN STATES' REPUBLICANS.

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FRED W. UPHAM,
Assistant Treasurer.

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Illinois, Col. Frederick H. Smith, Peoria.
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South Dakota, Hon. O. W. Thompson, Vermillion.
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Or to Fred W. Upham, Assistant Treasurer, 234 Michigan avenue, Chicago, Illinois.

LETS CAT OUT OF BAG.

German Manufacturers to Flood America With Goods if Bryan Should be Elected.

The following cablegram to the New York Sun under date of Oct. 3 shows what German manufacturers expect to do should Bryan be elected:

"Berlin, Oct. 3.—The gladiatorial fight between President Roosevelt and Mr. Bryan has suddenly aroused German interest in the American Presidential campaign and columns are now devoted to extracts from the mammoth campaign documents of the combatants.

German hopes of Democratic victory have been revived and many merchants and manufacturers have suddenly grown optimistic about a revision of the tariff which will enable them to flood America with their goods."

The German manufacturers evidently are shrewd observers. If Mr. Bryan should be elected and his "downward revision" doctrine with ultimate free trade be carried into effect we would soon be flooded with German goods of every description, and our factories could go out of business.

Protective Tariff Theory.

On the other hand, should Mr. Taft be elected our friends the German manufacturers would not be able to break through the wall of protection which would be maintained for the benefit of American labor.

The protective-tariff theory as defined in the Republican platform, and as adhered to by Mr. Taft, is that in order to maintain high wages in this country there must be "the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries."

Mr. Taft points out that the cost of production is determined chiefly by these three elements: "The cost of material, the cost of labor and the interest on capital, or what is known as the manufacturer's profit."

The normal operation of protection, where competition has free scope," Mr. Taft asserts, "is to lower the cost of producing and so to reduce prices to the public. As a consequence, after ten years' operation of a particular schedule, it ought to result that the cost of production in this country is made less, and therefore that the difference between the cost of production in this country and cut out abuses; hard to provide schemes that won't hurt business and will cure evils. It is hard to do things right, but we have got to take the time and labor to do them right."

In answer to a question I put to him the other day Bryan said that an ounce of remedy was worth a pound of cure. That is a fallacy; an ounce of his remedy would kill the patient. What we need is the expression of the sound thought and good judgment of the people upon which we can depend. I have had a time for two years in New York fighting the fight and I know it is hard work. You can't have a flash of genius and then change it all in a twinkling. What you have to have is work-hard, conscientious work, intelligent and thoughtful, as well as determined, to make remedies square with the exigencies of our life.

When we consider everything, what we want is to perfect the upholding of our county and promote a steady, forward movement in the middle of the road, as is the aim of the Republican party and our great future President, Taft.

The Republican party is not only rich in men, but rich in practical and beneficial principles—it is rich, too, in its record, in promises performed and pledges fulfilled, and so we are for party and party principles first, and will acquiesce in the choice of the majority, rallying around the standard bearer who will carry us again to victory.—Hon. James S. Sherman.

What I am anxious to emphasize is that there is a wide economic and business field in which the interests of the wealthiest capitalist and the humblest laborer are exactly the same.—Hon. Wm. H. Taft, at Cooper Union, New York City.

Political Snapshots.

"The present business system of the country rests on the protective tariff and any attempt to change it to a free-trade basis will certainly lead to disaster."—Mr. Taft, at Columbus, O.

Bryan is developing into a real humanist. He has advanced so far along the line that he can now announce himself as "the advance agent of prosperity" without cracking a smile.—Sloane City Journal.

At the only one of his original dicta that Bryan still sticks to is that "Mr. Taft is a hired man."—Boston Transcript.

When Taft's voice fails, his record and the party principles remain. If Bryan's voice should fail there wouldn't be any remains.—St. Louis Globe-Democrat.

Mr. Bryan has been his own advance agent so long that the public will hardly be disposed to recognize him in his new role (borrowed at that) as advance agent of prosperity.—New York Tribune.

Mr. Bryan ought to blush when he looks at a bushel of corn in these times and thinks of his old free silver arguments.—St. Louis Globe-Democrat.

Mr. Bryan will whirlwind through Nebraska over the route covered by Taft and Hughes. This is a certain sign that the Democrats are not worried.—Omaha Bee.

There are thousands of business orders marked: "Stop if Bryan is elected." If wage-earners doubt this statement let them investigate the matter for themselves in the nearest industrial circles.—St. Louis Globe-Democrat.

Bryan has been offered \$12,000 a year to be an editor in case of his defeat for the presidency. The person who makes the offer must expect a slump in the Chautauqua business.—Chicago Tribune.

The leader of the Republican party during the Civil War was Abraham Lincoln, and it has never lost the inspiration of his leadership.—Mr. Taft, at Kansas City, Mo.

WHAT HIGH PRICES MEAN TO THE FARMER

In 1893 Two Hundred Bushels of Kansas Corn Bought 1,000 Feet of Lumber.

Now One Hundred Bushels Buys 2,000 Feet—A Concrete Illustration Showing Why Land Values Have Increased.

Out in Kansas a great deal is being said just now about the lumber trust, the high price of lumber and the terrible expenses attached to the building of houses, cribs and other buildings, says the Jewell County Republican. The principal buildings being erected this fall on the farms are corn cribs in which to store away the immense crop which was raised throughout Central Kansas and is now matured and will be ready for the crib in a very short time. In a political discussion here the other day the old story of the high prices came up and it was asserted that a large amount of corn would necessarily be placed on the ground this year because of the high price of lumber. One farmer who has no particular love for the trusts, but is inclined to look on the bright side of everything and who is well satisfied with present conditions, declared that in 1885, when lumber was very cheap, there was a great amount of corn which was raised in the same year and was very good, and like-wise corn, it took 200 bushels of corn to buy 1,000 feet of cribbing lumber. Now, when lumber is at the highest point it ever reached in the history of Jewell County, 100 bushels of corn will purchase 2,000 feet of cribbing lumber. According to J. W. Berry, of this county, who is a good authority on the prices of farm products and lumber, and makes this assertion, using corn as a purchasing power, lumber is only one-fourth as high as it was thirteen years ago.

Now on Easy Street.

Attling this county is in the wheat belt of Kansas, many of the farmers have raised corn. Both crops were just like they had been made to order, and the prices will place the tillers of the soil on Easy Street for some years to come.

In Jewell County there is a farm which has been on the market for sale for the past year, and was held at \$20 an acre. The farm consists of 120 acres. Fifty acres are planted to corn. The other day the entire crop was sold for \$16 an acre, the purchaser to gather the corn, leaving the fodder on the ground. A part of the field will be light and will not average more than twenty bushels to the acre, while the remainder of the field will give up from forty-five to sixty bushels. Fifty acres of the land was planted to wheat and the value of the crop was equally as great as the crop of corn, while the five-acre patch of alfalfa produced even more money in proportion than either of the other two crops.

Values Increased Five Times.

There are no improvements whatever on the farm, but the price has been raised 100 per cent and the owner is not very anxious to sell at that. However, he says if he had the slightest idea that Bryan would be elected on the third of November he would sell his land at \$30 an acre, and in two years he could buy it back and make more money than by farming it.

In this county there is another farm which was sold in 1894. There are 80 acres in the farm and the purchase price was \$500, or 5,000 bushels of corn at the prevailing price at that time. In the meantime, the \$80 has been considerably improved. A part of the land has been put to tame grass, a fine orchard is now one of the assets, good buildings have been erected and the land has grown more valuable because of the development of the country. This month the land was sold again, the purchase price being \$2,500, or the price of 5,000 bushels of corn at the present price.

Values That Are Still Good.

"I am sending Taft to the Philippines," said President McKinley, "because he is the broadest and the most unselfish man I know, and because he will carry the spirit of the constitution of the United States in his very blood." These seem to be excellent reasons also for sending Taft to the White House. The American people will undoubtedly show on November 3 that they have come to that conclusion.—Canton, O., Tribune.

The Effect of the Organization of Labor.

The organization of labor, on the whole, has been highly beneficial—principles—it is rich, too, in employment for the whole laboring community. I have not the slightest doubt, and no one who knows anything about the subject can doubt, that the existence of labor unions steadies wages.—Hon. Wm. H. Taft, at Cooper Union, New York City.

The Tariff Affects Trusts Only as It Affects All Other Interests.

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