

the other financial achievements of the Ring pale their ineffectual fires."

Viscount Bryce adds that in the bills for fitting up and furnishing the County Court House "the items of \$404,347 for safes and \$7,500 for thermometers were found amusing when eventually disclosed."

If he thought those items amusing, what is to be said of the Reserve Bank's item of \$2,206,500 for a "bank vault and equipment"—the "equipment" alone being \$650,000; and as compared with "\$7,500 for thermometers" what would he say about the Reserve Board's approval of the expenditure of \$251,119 for "acoustic treatment," "low tension" and "toilet accessories," with an additional \$1,006,500 thrown in for "book vault doors," "furniture," "kitchen equipment," "letters conveyor" and "lighting fixtures and reflectors and shades?"

Lord Bryce does not mention what Tweed paid to "Architects and Engineers," but the Reserve Board's report to the Senate shows that the fees to "Architects and Engineers" alone for New York's banking temple amount to \$1,106,000, exclusive of the "fixed fee" allowed the general contractor, the amount of which, for reasons not divulged, the Reserve Board carefully avoided mentioning in its report to the Senate.

Confronted with the proofs of his crimes, Tweed defiantly asked in words which in New York have passed into a proverb: "WHAT ARE YOU GOING TO DO ABOUT IT?" One of the things New York did about it was to convict and sentence him to the penitentiary for twelve years, and he died in prison.

It has not been charged that the "amazing waste of public money" disclosed by the report to the Senate was the result of corruption or robbery, but it is charged that this colossal waste is a result of wild extravagance and rank incompetence somewhere. Congress now has the opportunity to place the responsibility and apply the remedy.

I am inclined to think that some of the directors of the New York Reserve Bank, Mr. Peabody, and perhaps others, were not fully informed as to the bank's indefensible extravagance and mismanagement, and that some of them "DID NOT KNOW ANYTHING ABOUT THESE THINGS," to use the language of Governor Strong in testifying in August last before the Agricultural Joint Commission. Governor Strong admitted at that hearing that certain things were kept back from a member of the Reserve Board itself, on the ground that he (Governor Strong) "DID NOT CONSIDER THAT IT WAS VERY MUCH OF HIS BUSINESS"—referring to the Comptroller of the Currency, a member, ex-officio, of the Reserve Board.

It is also my belief that certain members of the Reserve Board who have taken office since my retirement from the Board were also not informed, and do not approve of certain policies and operations which have become the subject of grave criticisms.

The Reserve Board's report to the Senate proves the actual expenditures for October 1, 1921, for banking quarters for Reserve Banks in the several reserve districts aggregate \$39,370,000 and that \$32,812,000 ADDITIONAL has to be expended in order to complete six of the bank buildings now under construction, bringing the total of the amount already expended for banking quarters, plus the amount necessary to finish these six buildings up to the huge sum of \$72,182,000.

This vast sum is exclusive of other large expenditures which the Board has also planned to make in other cities where elaborate buildings have also been provided for, or are in contemplation, and upon which work will doubtless proceed unless stopped by congress.

The Board's official report to the Senate shows that 29,800 feet of space have been set aside for their "Auditorium, Gymnasium, Restaurants and Club quarters." The rental value of this space, figured on what is described in the Reserve Board's report to the Senate, as "the basis of existing rental values" would be \$179,322. This "rental value" of space appropriated to the "Gymnasium, Restaurants, Auditorium and Club Quarters" is more than the total rental paid by all of the twelve Reserve Banks in the calendar year 1917!—only the Dallas Bank at that time occupying its own banking house.

The Philadelphia Federal Reserve Bank, which I believe is, in many respects, one of the best managed in the system, contrives to transact the business of its entire district satisfactorily and efficiently in a banking house which has cost a total, including its modern vault, of \$1,814,000. It would be well for the Board to try to explain why the Cleveland Reserve Bank, although its business is divided between the main bank and two branches—one at Cincinnati, and one at Pittsburgh—finds it neces-

sary to construct at Cleveland a banking palace which is to cost, according to the Board's report to the senate (p. 21-23) the enormous sum of \$3,410,257, or more than four and a half times as much as the Federal Reserve Bank of Philadelphia—although the resources of the Philadelphia Reserve Bank are only about 12 per cent less than the total resources of the Cleveland Reserve Bank with branches.

Although the resources of the New York Federal Reserve Bank, including its Buffalo branch, are only about four times as great as the Philadelphia Reserve Bank, yet the New York Bank, is spending for its banking quarters in New York city an amount nearly fifteen times as great as the total cost of the Federal Reserve Bank of Philadelphia.

The resources of the Federal Reserve Bank of Cleveland are only about twice as great as the Federal Reserve Bank of St. Louis, yet the Cleveland bank is spending for its costly banking edifice an amount equal to more than eight times the cost of the St. Louis bank.

Can any one defend the action of the Reserve Board in authorizing the expenditure for a palatial banking edifice in Cleveland of an amount FIVE TIMES as great, according to the official reports, as that Reserve Bank was ever lending at any one time on "AGRICULTURAL" and "LIVESTOCK" paper in that entire district, embracing the whole of Ohio and parts of Kentucky, West Virginia and Pennsylvania?

These inconsistencies demand some explanation. They indicate a riotous and colossal waste of public funds.

The sum which the Reserve Banks have already charged to "depreciation" in connection with their building operations, according to their report to the Senate (p. 21-22) is \$7,030,000. By those simple bookkeeping entries the United States Treasury was deprived of about \$6,327,000 of the earnings of the banks which it would otherwise have received. That sum alone is nearly as much, and in some years more, than Congress appropriated for all public buildings in the entire United States, including post offices, custom houses and court houses in any one of the years 1919, 1911, 1905, 1902 or 1901.

It is for the congress now to answer the question which Governor Harding of the Reserve Board and Governor Strong of the New York Reserve Bank are probably already asking:

"WHAT ARE YOU GOING TO DO ABOUT IT?"

I will quote in conclusion the following paragraph from my letter to Senator Overman of December 2nd:

"Economy and efficiency in the operation of the Federal Reserve Bank of New York, are, of course, highly important; but the question of salaries paid, however grossly excessive they may be, or the expenditure of \$25,000,000 for a palatial bank building are small in comparison with other faults and evils to which I have directed public attention in connection with the management of the Federal Reserve Bank of New York, and the administration of the whole Federal Reserve System by the Reserve Board."

Yours truly,
JOHN SKELTON WILLIAMS.

NEBRASKANS GET COAL AT COST

Lincoln, the capital of Nebraska, is not suffering from a coal famine this winter. Neither is it paying a tribute to a ring of coal profiteers. Despite the fact that the coal mines are nearly five hundred miles distant, and that freight charges are more per ton than the cost of the coal at the mine, the people of Lincoln are paying less for coal than are the citizens of cities within sound of the mine whistles. Co-operation did it.

The hero of the Lincoln coal users is Charles W. Bryan, brother of William Jennings, the eminent apostle of free silver, grape juice, and international peace. Some months ago Mr. Bryan made an investigation, and declared that the Lincoln coal dealers were shameless profiteers; that they could sell coal for \$4 less per ton and make a reasonable profit on it; and that if the dealers did not reduce the prices, the people of the city should go into the coal business on their own account and get coal at cost. The city council turned a deaf ear to Mr. Bryan's proposal. Thereupon he began a popular educational campaign in the newspapers. Being endowed with some of his brother's political sagacity, he took advantage of the approaching municipal election to suggest that the people should establish not only a municipal coal yard, but also a municipal public market and a municipal ice plant. The "substantial" business men of the city refused to support this program. Whereupon Mr. Bryan cast his own hat in the ring, and was elected at the head of the city commissioners. When the four other commis-

sioners defeated his ordinance to establish the coal yard, he appealed again to the people; and immediately petitions were circulated under the initiative and referendum to enact the coal yard ordinance, recall two of the commissioners, and replace them with men pledged to Mr. Bryan's program. The commissioners then passed the coal yard ordinance to head off this movement, but the patriotic coal profiteers tried to shut off the city's coal supply. Failing in that, they attempted unsuccessfully to secure an injunction forbidding the city from entering the coal business. But Mr. Bryan stuck to his guns, and the city's coal game.

The report of the people's coal yard for the first two months' operation more than fulfills Mr. Bryan's promise. The city bought the best Southern Illinois coal for \$3.85 a ton, sold it for \$4 a ton less than the private dealers charged, and on a \$30,000 business made a net profit of \$2,500, which goes to carry on the work and reduce the citizens' taxes. Who lose when the people gain?—From Organized Labor, San Francisco, Calif., Feb. 11.

"BRYAN CAN WIN"

The above quoted line is from The Observer, published in Jacksonville, and refers to the talk going the rounds of the press that William Jennings Bryan aspires to the United States senatorship from Florida.

But it should be understood that Mr. Bryan's only comment up to this time, when asked about his political aspirations, has been that he is devoting himself to other lines of work and has settled down to enjoy the entire winter in Florida. He is apparently not disturbed by politics.

The Observer's editorial is as follows:

Can William Jennings Bryan go to the United States senate from Florida?

The question is easily answered. He can sweep the state should he become a candidate.

The writer this week made it a point to interrogate various people as to their opinion regarding this matter. A correct account of the number with whom the matter was discussed was taken. It totaled 87. Several of these were those who belonged to the so-called special interest class. Of the latter everyone said "Bryan could win," except one who was very much opposed to Bryan. This one voted for McKinley, Roosevelt, Taft, Hughes and Harding.

The sentiment among those who talked to the writer was that Bryan could be a great asset to Florida in the U. S. senate.

The opinion among leaders was to the effect that Bryan would have an enormous majority over any man who would oppose him. His vote in west Florida, it was argued, would be almost a clean sweep.

He would have the moral forces behind him. He would rally to his support the women voters, because he was the recognized champion of woman suffrage.

He is the nation's most noted expounder of prohibition, and Florida with the women added is strongly prohi in every county in the state.

There is no question as to how the farmer vote of Florida would stand. It would be enthusiastically aroused in favor of Bryan.

Florida with Bryan in the senate would have democracy's most militant, influential, and active brilliant leader.

The Observer believes that if he should be a candidate, Bryan could carry every county in Florida.

The above is the opinion gained after talking to eighty-seven men, including bankers, judges, merchants, political leaders and wage-earners.

Bryan can win. He would be a great asset to the state and nation.

He is legally qualified. All honest endeavor should be utilized to have him enter the race.

Florida needs him. The nation needs him.—Miami Metropolis.

The world does move. The Nebraska supreme court recently refused to grant a new trial to a convicted criminal although it was plain to the judges that technical errors had occurred during the first hearing. It held that where there is no substantial miscarriage of justice errors in procedure will not secure a new trial. This is a far cry from the day when the Missouri supreme court granted new trials to hoodlers that Joseph Folk had convicted, on the ground that the word "the" was omitted from the title of the case brought in the name of the state.

If congress does adjourn without passing a bonus bill the veterans of the world war will find out what is meant by a short session.