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EDITORIAL

PROSPERITY AND SAVINGS BANKS.

By DANIEL DE LEON

THE below letter, received at this office, is here literally reproduced, underscorings and all:

New York, Jan. 1, 1906.

Editor in Chief:

I noticed a column in your paper this morning headed "prosperity" wherein you mention the misfortune of a FEW PEOPLE. If you want to find out REAL PROSPERITY look at the DEPOSITS in the Savings Banks of N.Y. City, or in fact of the whole U.S., and you will find said deposits have been INCREASING for the last 10 YEARS. The INTEREST paid in deposits in the U.S. for the year 1905 will amount to more than the money deposited in the years 1892-1893-1894.

As the WORKING PEOPLE are the CHIEF DEPOSITORS in the Savings Banks of the U.S. you can see that your argument has no BOTTOM to work on.

I am SURPRISED that you started the new year by making an ass of yourself.

I consider your paper more of a FIREBRAND than the N.Y. *Journal*.

Respectfully

Horace Walters,

529 West 29th Str.
N.Y. City.

We shall pass by the elegance of the language used by Mr. Walters, and grapple with the gentleman's preposterous reasoning and his still more preposterous allegations of fact.

Mr. Walters reasons that, seeing the Savings Banks deposits have steadily increased until they are now very large, therefore (!) the workingmen are more prosperous. So have palaces, silk and satin robes, \$25,000 ladies' garters, Bradley Martin, Hyde and Wanamaker dinners, automobiles, country villas, steam yachts—these and all such other articles have increased hugely in number, yet who

would dare maintain that, therefore, the workingman enjoys or is in possession of any of them! The point needs but to be indicated in order to be obvious. Scatter-brained is the reasoning that concludes, from the mere existence of good things that the workingman has them, or any share in them. That much, and it is quite enough, for Mr. Walters' reasoning, in the abstract; his allegations in the concrete will be found to hold as little water.

The gentleman makes the concrete assertion that the working people are the chief depositors in the Savings Banks of the land. The Census figures on wage earners engaged in manufacturing and mechanical industries, together with the reports of the Comptroller of the Currency, disprove the claim.

Taking the group of States made up by Pennsylvania, Ohio and Indiana, and the Western State of Wisconsin, it is found that—

In Pennsylvania, the number of depositors is 420,965; the number of wage earners is 733,834—or 312,869 wage earners in excess of depositors.

In Ohio, the number of depositors is 92,685; the number of wage earners is 345,869—or 253,184 wage earners in excess of depositors.

In Indiana, the number of depositors is 26,112; the number of wage earners is 155,956—or 129,844 wage earners in excess of depositors.

In Wisconsin, the number of depositors is 4,703; the number of wage earners is 142,076—or 137,373 wage earners in excess of depositors.

The following table will present the facts in condensed form:

Number of wage earners engaged in manufacturing and mechanical industries in Pennsylvania, Ohio, Indiana and Wisconsin	1,377,735
Number of depositors in the same group of States.....	<u>544,465</u>
Excess of wage earners over depositors	833,270

The figures furnished by this group of States alone materially shake Mr. Walters' contention of working people's prosperity, to begin with. Even supposing that, without exception, every single depositor in this group of States is a wage earner engaged in manufacturing or mechanical industries, and even supposing that every "deposit" is made by a different "depositor", even then less than one half

of the number of these wage earners are within the charmed circle of Savings Banks prosperity. If Savings Banks deposits are an evidence of prosperity, obviously the majority of these presumably best paid wage earners are short in prosperity, and the much larger number of wage earners engaged in notoriously worse paid occupations are wholly out in the cold.

Another group of States will emphasize the point and also dispose of Mr. Walters' claim that "the working people are the chief depositors" in our Savings Banks.

In the State of New York, the number of depositors in Savings Banks is 2,406,660; the number of above-named wage earners is 849,056—or 1,657,604 more depositors than wage earners, an excess of nearly twice as many.

In Massachusetts, the number of depositors is 1,723,015; the number of wage earners is 497,448—or 1,205,567 more depositors than wage earners, an excess of almost three times as many.

In Connecticut, the number of depositors is 461,387; the number of wage earners is 176,694—or 284,693 more depositors than wage earners, an excess of nearly twice as many.

In New Hampshire, the number of depositors is 461,387; the number of wage earners is 70,419—or 89,537 more depositors than wage earners, an excess more than equal their number.

In Vermont, the number of depositors is 139,853; the number of wage earners is 29,455—or 110,398 more depositors than wage earners, an excess of nearly four times as many.

In Maine, the number of depositors is 211,217; the number of wage earners is 74,816—or 136,401 more depositors than wage earners, an excess of close on five times as many.

Dropping the group of New England States and New York, in all of which the conditions are found to be substantially the same, and taking a leap across the Mississippi, in Iowa, the number of depositors is 241,020; the number of wage earners is 58,553—or 182,467 more depositors than wage earners, an excess of more than three times as many.

The following table will afford a bird's eye view of the facts herein gathered:

Number of depositors in New York, Massachusetts, Connecticut, New Hampshire, Vermont, Maine and Iowa	4,343,108
Number of wage earners engaged in manufacturing and mechanical industries in the same States	<u>1,756,441</u>
Excess of depositors over wage earners	2,586,667

This set of figures supplements the first. Even again supposing the obviously un-supposable that, without exception, every single wage earner belonging to this leading group of industrial States, and engaged in the presumably best paid occupations, the manufacturing and mechanical industries, is a depositor, even then there remains unaccounted for a number of depositors almost twice as large. That the excess is not made up of the poorer paid labor the first set of figures sufficiently indicates. Of what class is the excess made up? The answer is obvious; obvious also is the fact that the discrepancy between working people depositors and non-working people depositors is much larger than our assumption would make it appear. Nevertheless, should there be any doubt left upon the subject, no less a personage than J. Harsen Rhoades, the President of the Greenwich Savings Bank of this city removes the doubt. In the article written by him this time last year in the Financial Supplement of *The Times*, this expert on the subject makes the following admission: "The huge deposit in the Savings Banks of Greater New York indicates a suspension of development in business and the holding of money for the time being, as well as a disposition to use the banks for investment on good interest", and again he alludes to "the constant and increasing pressure on the part of that portion of the public, WELL ABLE TO TAKE CARE OF THEIR OWN PROPERTY, to open accounts with the Savings Banks". Is it working people who "hold money for the time being" before launching into business? Is it working people who are "well able to take care of their own property"?

The figures and President Rhoades' tally. The bulk of the working class has no deposits in Savings Banks; the working people are not the "chief depositors"; who the chief depositors are is confirmed by the periodical reports about ladies in carriages and furs riding up to our Savings Banks to make deposits or draw their interests. The workingman has a hard enough time of it to make the two ends meet

with his paltry wage. What with declining earnings and rising prices for rent and the shoddy and other adulterated goods that he must buy, nothing is left for him to save. The Savings Banks are the middle class banks, also banks for not a few who are above the middle class. The large amount of deposits, consequently, is no evidence of the workingman's prosperity. Originally, the Savings Bank was the "workingman's bank". It is no more. To-day, the oft-repeated claim that the large Savings Banks deposits are an evidence and measure of working people prosperity is a myth that knaves have invented, and none but fools repeat.

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We might here dismiss Mr. Walters, together with his "reasoning" and his "facts". But not yet. The gentleman's letter came enclosed in a wrapper of the Diamond Match Co. The Census figures show that the wages of the wage earners in this industry do not average quite \$1 a day—they average \$301.28 a year. Pursuing his peculiar logic Mr. Walters no doubt reasons that the \$6,005,937, which the Census gives as the value of the matches produced in 1900, is the evidence and measure of the prosperity of the unfortunate men and women at work in that poisonous industry. He may as well. Furthermore, seeing that Mr. Edwin Gould is a director in the Diamond Match Co., it is to be presumed, upon the Waltersian line of reasoning, that Mr. Gould's pocket, into which big chunks of those \$6,005,937, drawn from the match industry, flow are in the nature of a match-makers' Savings Banks, and the money a monument of the men's prosperity.

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