

his own business interests. He also wants me to make his son an attorney on a railroad in which I am a director. Now, how strong is Robberson's influence in your town?"

"He practically owns the local Republican machine," I answered.

"Does he know any of the county commissioners—the men who give out the printing contracts?"

"Yes," said I, and at once I saw how we could act. "One of the commissioners is a former law partner of the Senator, and another is the man who made the Senator's nominating speech."

"Good!" said Senator Octopus, in a voice that said plainly that all was settled already. "I'll tell Robberson to swing his commissioners around so they'll refuse to renew the printing contract of your ram-bunctious editor friend."

A few days later Senator Octopus met me in the Senate restaurant and called out: "By the way, Pumphrey, I've fixed up that little matter for you. I had Robberson bring a little pressure to bear on those commissioners and they have decided to hold up the printing contract until they hear from him. Now, the thing for you to do is to casually let your editor friend know what you've got up your sleeve, and I think he'll soon come to time."

I could hardly speak for the gratitude that I felt, but I grasped the Senator's hand with a fervor that spoke volumes.

Octopus is a wonder, and when he starts out to get a man he usually succeeds. His methods are wonderful and his wires lead underground and over-ground to every part of the country. I'd hate to have him gunning for me.

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## STATE AND MUNICIPAL OWNERSHIP IN SWEDEN.

### IV. POSTAL SAVINGS BANKS.

In a great many European countries the government has considered it a duty to offer to the people to collect and care for their savings under the guarantee of the state. Experience has proven that it is a far simpler matter for the administration to conduct a savings bank business in connection with its postal service than it is to try to satisfactorily regulate private banking enterprises and thus provide for safe investment for people who can only save limited amounts. In fact the Swedish government, which has successfully tried government ownership and operation in so many different forms, seems to have concluded that wherever it was found that private business could not be conducted in the interest of the people without the constant regulation and supervision of the administration, there was a proper place for the government to conduct business itself. On such principles the postal savings bank was founded in 1884. It is not conducted with any aim whatever to bring any surplus into the state treasury, but simply to be self-supporting, and to offer a perfectly safe means of saving for the people, particularly for those who can save only small amounts.

However, to do justice to the private institutions for saving in Sweden it must be said that the government savings bank was not founded on account

of any fraudulent behavior on the part of the private banks. It was demanded merely because of its greater convenience, and, of course, also on account of the increased feeling of safety it would afford depositors in times of industrial depression. The very fact that the private institutions for saving in the country are conducting their business with so great honesty and solvency has caused the postal savings bank to not acquire such an enormous volume of business as was at first expected. Of all the money deposited in the savings banks of the country, hardly more than one-fifth is deposited in the government's institution. The cause of this proportionally small part being deposited in the postal savings bank is mostly that the government cannot, employing as strict rules regarding the investment of its trust funds as it does, pay quite as high an interest as do private banks. The postal savings bank pays 3.6 per cent. interest on deposits, whereas the private banks pay on an average about 4 per cent.

However, that the bank serves a purpose is easily understood when we note that the number of its depositors amounts to more than 550,000, or a little more than ten in every one hundred inhabitants. (The population of Sweden was, in 1904, 5,260,000.). The whole business of serving these depositors at every postoffice in the country, and to care for and invest their savings, is conducted on \$55,000 a year, a figure that fully proves that there is no need of enormous expenses in a department of public service, even if it be conducted by the government.

In regard to the investment of the trust funds the rules prescribe that only state and municipal securities are permitted for such investment. This excludes all speculative tendencies and will surely prevent the use of the trust funds for the private interest of any of the officials, should their honesty not be proof against temptations. It may be said of all the departments of government ownership and operation in Sweden that the honesty with which as a rule they have been conducted has had its greatest cause in the system itself, which in all possible cases has been worked out on the principle of removing the chance of dishonesty—that is, the temptation. The publicity of all important moves in all the governmental departments has also greatly added to the integrity of all the various offices of public ownership.

Whether or not, under well balanced conditions, it will prove to be a proper function of the government to collect and care for the people's savings, may be open to discussion. But there can hardly be any question as to the propriety of such a course in any country where it has been proven by repeated experiences that private interests have defrauded the public of their savings through the means of savings banks privately conducted. In such a case an institution, conducted under the control of the government, and under the guarantee of the state, is in its proper place. As mentioned before, there are a number of European countries which have recognized this truth, although it must be admitted that the necessity for governmental institutions for savings for the reason mentioned above is less urgent in Europe than in this country.

The repeated insolvency of savings banks in this

country has made the people hesitate to put all their savings into the hands of men who have often used them for their own speculative purposes. As a means to escape the savings banks the people turned to the insurance companies, because they were known for greater solvency, and the propositions with which they induced the public to place their money with them were seemingly more safe and profitable. How the insurance companies have taken care of their trust is too well known a fact to need any comment. It is enough to state that the small savers in the United States are not in possession of any perfectly guaranteed institutions in which to put their savings, the results of their labor; and that if in any country there is an urgent need for a governmental institution for savings, it is in this country.

In this connection a few words in regard to general banking conditions in Sweden may be proper. The government conducts a "state bank," which bank conducts practically the same business as the national banks in this country. This bank is the only one permitted to issue currency and bank notes (bills). Private banks can conduct all general banking business, but are restricted from issuing any notes. The propriety of this is evident. No private interest should be permitted to pocket the enormous income derived from the privilege of issuing bank notes, for which security the bank only pays a small percentage compared with the one derived from the interest drawn from the outstanding notes.

That banking business, especially when accompanied with the privileges conferred upon it in this country, is a very paying business, is easily understood from the fact that the income the Swedish treasury derives from the "state bank" is one of the more important of its regular incomes. It is a credit to the Swedish people that they have recognized that certain banking privileges constitute a monopoly, and thus are properly conducted only by the state itself.

ERIK OBERG.

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## THE COMPETITION WHICH PRODUCES BROTHERHOOD.

From a Paper on "Free Competition and the Law of Brotherhood," Read Before the New Church Society of Elkhart, Ind., Jan. 14, 1906, by George A. Briggs.

The most likely example of a human society without some industrial competition would go back in the process of evolution to that point where our supposed ancestors swung by their tails from the cocoanut palms and lived happily upon the cocoanuts which they could have for the picking. In such a condition trade would be unknown.

Suppose, however, that one of these monkeys wandered from home and found at the end of a day's journey another community of monkeys living on cocoanuts different in quality and flavor from those with which he was familiar. He would at once discover the possibility of adding variety to his diet. Others would soon make the discovery, and so the monkeys of each community would go back and forth across the intervening distance which required a day's journey to traverse, and the object of these

frequent journeys would be to satisfy a demand for variety in food.

Now, since monkeys are supposed to be our ancestors, surely our ancestral pride will permit us to suppose that some monkey would invent a device like the wheelbarrow, so he could bring together the two varieties of food and enjoy them both at the same time. When other monkeys saw him with cocoanuts which they wanted, but which required a day's journey to secure, they would make overtures to secure some of the desired cocoanuts without going after them, and thus trade would be made possible. The monkey with the wheelbarrow would argue that to get a day's picking of these cocoanuts would require three days' time, one spent in going to where they could be picked, another in picking them, and a third in returning home. Consequently, he would demand three cocoanuts of the home variety for one of the other kind. No one could dispute the logic of this argument and doubtless trade would begin on this basis.

Now a monkey who could invent a wheelbarrow would doubtless have a fair degree of intellect, and therefore this monkey would soon discover the possibilities of the situation. He would trade with both communities on the same basis, and thus effect a material saving. He would labor one day at picking cocoanuts. The next day he would journey to the other community and exchange his cocoanuts for three times as many of the other kind. Thus in two days he would secure as many cocoanuts as previously he could pick in three days. The next day he would return to his home community with one day's picking of the other kind and exchange them for three times as many of the home variety. Trading in this manner with both communities, he could either accumulate wealth or have one-third of his time for improving his mind, but being a monkey he possibly would not accumulate wealth.

Other monkeys would see what he was doing and to the degree that he had an advantage in opportunity they would be tempted to follow his example. Other traders would set up in business, other wheelbarrows would come into existence, but, more important still, competition would come into the two communities, and would continuously depress prices until the returns for labor in trading reached the level of the returns for labor in picking. In other words, two cocoanuts at home would soon buy one of the other kind, and the traders would get no more premium than enough to measure the time between the two places, plus the wear and tear on wheelbarrows. If temporarily the price went lower it would draw men from the trading field to the picking field, and thus the equilibrium would be restored.

It will thus be seen that in such freely competitive conditions, labor, like water, seeks a level, and the advantages of trade are diffused throughout the entire community. In this instance that advantage would be the ability to have either or both kinds of cocoanuts without going after them.

Suppose, however, that one monkey be granted exclusive rights to transport cocoanuts, and that all others are denied permission to cross from one community to the other. Then the price of cocoanuts would be measured by the demand for variety in food. If it should happen that both kinds were necessary to sustain life the privileged monkey would