

**WALL STREET AND THE
COUNTRY, A
STUDY OF RECENT
FINANCIAL TENDENCIES**

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Wall street and the country, a study of recent financial tendencies by Charles A. Conant

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Wall Street and The Country

A Study of Recent Financial Tendencies

By

Charles A. Conant

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PREFACE

THE essays contained in this volume were written for the purpose of setting forth the magnitude of the problems presented by the modern tendency to capitalization and of removing misapprehensions on the subject which seem to have obtained a lodgment in the minds of a certain portion of the public. In a country like the United States, whose phenomenal expansion has been the admiration and envy of competent foreign observers, it has been inevitable that this expansion should create serious new problems and require many new experiments in regard to the organization of the money market, the powers of corporations, and the relations of the latter to the State.

There is little reason to doubt that in the long run these problems will be solved by the American people with their

usual sobriety and good sense. It is to be regretted, however, that a degree of passion has been imported into their discussion which tends to hinder such a solution rather than to hasten it. Many organs of public opinion, even among those which have been credited with conservatism and sound economic views, have been swept along upon a current of popular agitation in favor of the extension of the power of the State in a manner radical in itself and far beyond any previous exercise of it sanctioned by experience or by American political ideals. The denunciation of the stock exchange, one of the most necessary functions of modern industry, and the abuse of large corporate interests have become indiscriminating and extreme, even where in the minds of those who have made them many limitations and reservations undoubtedly existed. These expressions have tended to stimulate a degree of popular prejudice which militates against a dispassionate solution of our new national problems.

There seems, under present conditions, to be too wide a chasm between men of action and men of thought. The former, impatient of exaggerated and destructive criticism of their projects, and especially of their motives, and little accustomed to spending their time in the refinements of literary discussion, have allowed misrepresentations to pass unchallenged, because they have not discovered in many of the organs of public opinion a disposition to weigh their actions impartially or to discriminate between the scrupulous and the unscrupulous in the financial world.

Misled by this silence, those who address the subject from the side of editorial chairs and magazine articles, have become more violent in their criticism of the stock exchanges, the financiers, and the industrial combinations, and have seemed to forget, even where they would not directly deny, that a large element of good must result to the country from the economic experiments which are now being tried. They seem to forget also that by treating large corporate interests

as outlaws, unworthy of a fair hearing in the court of public opinion, they only tend to increase the tendency which they deplore,—the tendency that corporations, thus driven to bay, may resort to questionable and illegal means for self-preservation.

It is the aim of this book to set forth in some degree the operation of economic principles in the financial world and the dangers of proceeding too rapidly and too rashly in extending the area of Federal intervention into fields heretofore reserved for the States and in fettering that freedom of action and of initiative which has been one of the essential causes of our national progress. It is not proposed to present a final solution of all the problems dealt with. They are subjects which are not likely to be exhausted this year nor the next,—perhaps not within the time of men now living. It is proposed here simply to submit on certain phases of these subjects a few considerations which have thus far been more or less obscured.

The discussion in regard to putting China upon the gold standard is an outgrowth of the work of the Commission on International Exchange, of which the author has the honor to be a member. The purposes of this commission have not been fully understood in some quarters, as the natural result of the highly technical character of many of the questions with which it has had to deal; but the members of the commission themselves have never doubted that the country would support their efforts to bring the silver-using countries to the gold standard by the most practicable and efficient means attainable under existing conditions. Already several of the countries of South America have followed British India and the Philippines in the adoption of a gold exchange standard similar to that here recommended for China, and much progress has been made by Professor Jeremiah W. Jenks of the commission in persuading Chinese officials of the economic importance of the adoption of a sound monetary system.