

DAILY PEOPLE

VOL. 4, NO. 356.

NEW YORK, MONDAY, JUNE 20, 1904.

ONE CENT.

EDITORIAL

A TELL-TALE DISCUSSION.

By DANIEL DE LEON

THE financial section of the *Evening Post* of Saturday, June 18 has a discussion by one of its writers of the part played in the weekly bank statement by the deposits of rich men. The discussion is herewith reproduced in full:

“MILLIONAIRE ACCOUNTS.”

What the Banks Have to Show in Ready Money from the Great Estates.

In the first week of last July, the deposit account in the New York weekly bank statement ran up \$13,900,000, the increase being commonly ascribed to deposits of interest and dividend money. A very great many individuals turn in at that time the checks drawn in their favor by the corporations whose stock or bonds they hold, but particular curiosity has been shown of late over the question how far deposits of very rich men play a part. Several bank presidents were asked this week to name the sums which in their experience had accrued on such individual accounts. This was the answer. Such balances frequently rise to \$1,000,000, \$2,000,000, \$3,000,000, \$5,000,000, and in some cases even \$10,000,000. Owing to the low rates for money and the difficulty of keeping large sums employed some millionaires who are usually heavy tenders in Wall street have this year retained such sums in their banks because of the larger interest return, and the books of several banks would make a most interesting exhibit.

A Banker who makes it his business to keep track of the ups and downs of rich men's bank deposits said this week that while such accounts fluctuate, several millionaires make it a practice to carry at all times a heavy cash balance so as to be prepared for possible emergencies. These accounts often run as high as \$5,000,000 and earn two per cent. interest, as do the New York balances of out-of-town banks. Besides these very heavy balances, there are dozens of rich men who have \$100,000, \$200,000, \$300,000, and even \$500,000, constantly on deposit in their banks or trust companies. But, it was added, these sums are kept on hand because they may be needed instantly, and they go as quickly as they come.

“Do they not go directly into the stock market?” this banker was asked.

“They do if the stock market seems to be a bargain; not otherwise.”

This discussion is a tell-tale one. Based upon an increase in bank deposits occurring at a time when curtailment makes working class savings a greater impossibility than ever before, it answers most effectively once more the perennial question, who owns the bank deposits? By demonstrating the existence of “millionaire accounts,” placed in banks for use in case of emergencies, and in preference to unprofitable loans and stock investments, this discussion confirms anew the statement oft-made and proven in these columns that the bank deposits are largely and mainly those of the capitalist and middle classes, and are not, therefore, owned by the working class, as it is claimed, in and out of season, by the prophets of “prosperity.”

Transcribed and edited by Robert Bills for the official Web site of the Socialist Labor Party of America.

Uploaded June 2007

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