

charged with the duty of maintaining peace. In the midst of perfervid orators, legislative statements of grievances, and even intense popular passion, the President has always thrown the whole weight of his party, personal, and official influence into the scale of peace, and, in the last resort, has usually shown no hesitation in arraying his constitutional prerogatives across the path to war, even though he has thus seemed to peril his own political future.

Time would fail for enumerating all the cases in our history where the office of President has been the direct barrier between the United States and war. The first attack upon Washington's popularity came in 1793, when he interfered publicly and successfully to prevent the country from drifting into war as an ally of France against England. Six years afterward, when the country was ready for war against France, when the President's own party was clamorous for it, and when the first tidings of successful sea-fights were already coming in, John Adams flung himself into the breach and secured peace, though he lost the presidency. Bitterly as he disliked the English Government of that day, Jefferson had but one thought when he heard of the *Leopard's* attack upon the *Chesapeake* in 1807—to check the popular disposition to answer the outrage by war, and to first exhaust every possible means of peaceable redress. His successor, Madison, struggled more hopelessly for peace, until it became evident that his political fate was to be that of John Adams, when he at last gave way. So one might go on to find in every administration, even in that which has been held responsible for the Mexican War, new instances of the normal bent of the presidential office towards peace. Some of them may not have been successful in securing peace; in others there may never have been imminent peril of war; each of them has at least served to emphasize anew the intense anxiety of all American presidents for peace.

But, it may very well be said, it is the people, not the political system, that has made the American office what it has been. The objection has truth, but it is easy to permit it to disguise as important truths on the other side. If the South American president has not always been so peaceful a figure, is even he, after all, any worse than his dynastic rival who, representing Germans, Austrians, or Russians, is concentrating *his thoughts* on the power of explosives, the bore of rifles, and the number of cartridges which the soldier can carry? There is strong reason to think that even here the elective ruler would show a tendency to peace such as has not been a marked characteristic of hereditary rulers. Even if the present system of European armament were a really popular movement, a king must find provocations to the use of the national armament in circumstances which would seem of comparatively little significance to a president by election. The hereditary ruler, *ex vi termini*, is limited in the work of ruling by considerations bearing on the family which he represents; his regret at the outbreak of war must be tempered, if the young princes of his house should find in popular applause a substitute for popular election; he breathes a family atmosphere of militarism. He may try to think only of national interests, but his influence will be swayed by other considerations. President Cleveland may be no better, wiser, calmer, or more pacific person than the Emperor

William, but his judgment is free from at least one cloud which must always obscure that of the emperor: in the emperor's eyes, every question of peace and war properly affecting Germany alone must be looked at through the mirage raised by the conventional honor of the house of Hohenzollern; in the eyes of the President, the question is one solely of his country's welfare.

It is but a few months since France passed through the crisis which was to decide whether her coming ruler was to be president, emperor, or king. Was there no significance in the rise of stocks, in the "better feeling" in neighboring capitals, and in the reviving confidence in peace, which followed the election of a president? Sadi-Carnot may cease to be president; the French Republic itself may cease to be for the time; but the "European situation" can never escape from the damning stigma of last December—the consensus of the international armament of crowned heads that a president in France was in so far a pledge of peace. Perhaps, if there were more presidents in Europe, there would be fewer wars and a brighter hope of disarmament. As republicanism spreads more widely over the continent, even while a simulacrum of royalty is still retained, it cannot but become more evident from results that the wars of the past were due to other influences than popular passion. Perhaps, before the process is completed, the people of Europe may for once enjoy the spectacle of a war in which the monopoly of actual fighting is reserved for two of the remaining royal families and their respective officers of hereditary influence. One may be pardoned for believing that these two elements are responsible for more wars in the past than all coming presidents will ever have to apologize for.

Postal Savings Banks.

THOSE who are not brought directly into contact with the savings bank do not always appreciate fully the popular work which is done by the system. In these banks we can see practically that which is not always easy to understand in theory—the close relationship of wages to capital, and the possibility of the conversion of the former into the latter. The savings banks of the United States had, in 1887, some \$1,200,000,000 of deposits. Almost all this was the savings of labor, the natural result of high wages and growing ambitions. Saved in dribbles, it would have been spent in dribbles and would have passed out of reckoning without doing the world any service, but for the savings banks' unification of countless little savings into this imposing mass of wealth, this \$1,200,000,000. To enable themselves to pay interest on these deposits, the savings banks must in their turn loan them, immediately or mediately, to men who wish to borrow the money for use as business capital. That is, the country's generous treatment of labor, its high wages, the hopes of social advancement which it holds forth, and the desire of saving which springs therefrom, have been profitable, even in the lowest sense of the word; they have added to the active capital of the country some \$1,200,000,000 which otherwise would never have existed. But it would be telling far less than half the story to leave it on this low level. This mass of wealth has not only served the country as capital; in a higher politi-

cal sense, it has been a pledge of social peace, security, and hope. Those who have saved it are not growing poorer, but richer; they have founded an Anti-Poverty Society of their own. With it, they have put so much the greater interest at stake in the country; while those who have borrowed and are using it have so much the greater respect for those who have saved it. Every savings bank is in its way worth a thousand policemen and several regiments of regular troops, for it builds order on a foundation stronger than force.

This showing of the savings-bank system, however, becomes meager when we begin to realize how small a part of its possible field has been filled. Of the twelve hundred millions of savings just mentioned, nearly eleven hundred millions are the property of New England and the Middle States alone. Indeed, if we except these two sections and California, with her \$60,000,000 of savings, the system is practically non-existent in the remainder of the United States. The rest of our people are still practically ignorant of the powers of the system in transforming wages into capital. And it is for this reason,—for its educational advantages rather than for its superiority to individual banks,—it is for the controlling purpose of introducing the system into those sections of the country where it is still practically unknown, that Congress may fairly be called upon to imitate Great Britain's Act of 1861, establishing a system of postal savings banks. Wherever the system is introduced it must commend itself; and then the superiority of banks formed by individual corporators may safely be trusted to hold the Government institutions down to their comparatively narrow field.

There is one section, however, in which the call for such a step seems almost a national duty, instead of a mere question of expediency. If there is any class of our people who should be encouraged to save,—for the sake of their own welfare, for the sake of the higher respect which the known habit of saving will bring them, for the sake of the social security which will find guarantees therein,—it is the Southern negroes. No other class have a more immediate and urgent need of the savings-bank system than they; no other class see so little of it. Indeed, what they have known of it has rather been calculated to make them distrust it; and for this our national legislation is largely responsible. They have not forgotten, if we have, the Freedman's Savings and Trust Company, chartered by Act of Congress of March 3, 1865, which failed in the autumn of 1873 with liabilities of more than \$3,000,000. Dealing, as the Act did, with an ignorant and helpless people, the wards of the nation, whose economic future was so largely dependent upon the success of this project, the Act should have been regarded as an act of state rather than a mere charter; and every effort should have been made to give the deposits a character for security as absolute as the pledge of the whole wealth of the country could supply. That was the time for the introduction of the principle of the postal savings-bank system, for reasons of state if for no others; instead, Congress chose to hazard the economic development of the freedmen on the wisdom of random trustees, and the ups and downs of the investments on which that wisdom should decide. In partial compensation for its error of 1865, and for the economic injury thereby done to those whom the nation was

bound to care for, let Congress proceed, by establishing postal savings banks throughout the South, to show the negroes that there is a more excellent way than the Freedman's Savings Bank.

Such Government savings banks have their points of inferiority to corporate banks. In order to establish the system, the Government bonds would still be available as an absolutely secure investment for the postal bank deposits; and those who should deposit their half-dollars or multiples thereof at the money-order offices or postal savings banks would really be buying shares of these Government bonds. Corporate banks loan their deposits directly to be used as capital by the borrowers, while the postal savings bank would act only indirectly, releasing for use as business capital the same amount of money which would otherwise have been invested in Government bonds. In other words, the corporate banks not only inculcate the habit of saving, but add to the business capital of the country more directly than the postal banks. If, then, the proposal were to give the Government the same monopoly of the savings-bank business which it has in the post-office, the proposal would be open to serious objections. No such proposal is meant. On the contrary, it is easy to show that the postal bank can do no more than open the way for the more effective corporate bank. The purchase of Government bonds for postal bank investment, at the current market rates, will net only an interest of less than 3 per cent. on the amount invested—in all probability, not more than 2½ per cent. Even if there were no expenses of management, then the postal bank could not offer more than 2½ per cent. interest on deposits, unless the Government should increase the rate as a gratuity, which would hardly be proposed. There would, however, be expenses of management to be provided for; and in practice the postal bank could hardly offer much more than 2 per cent. interest on deposits. The usual rate of the corporate savings bank is 4 per cent.; so that the corporate bank, when established in a place, would at once drive the postal bank out of competition. It seems evident, therefore, that the postal bank would be no real rival to the private or corporate bank—that it would, in effect, be nothing more than introductory to the present corporate system. It would be a convenience, in a town which had no corporate bank: it would teach the people the virtue of saving, and thus stimulate the desire for a corporate bank; but it would not rival or oust the corporate bank.

The proposal that Congress should establish a system of postal savings banks is not dictated, therefore, by any desire to widen Government functions, or to take out of private hands a work which they can do better than the Government agents can. The present savings banks would continue their work without becoming conscious of any change: it is not likely that a single half-dollar would ever be deposited in the New York City post-office if it were made a postal bank. The advantages would come in carrying the old system into new places, in teaching a whole people a system under which one-fourth of their number already have \$1,100,000,000 on deposit.

In a former article we discussed the plan for postal savings banks without any interest at all.* The whole question of postal savings banks may have to be de-

* See this magazine for February, 1886.

ferred, we are well aware, till the merit system in the civil service has been much further extended; and in the present condition of the Treasury there are grave doubts as to what wise disposition could be made of the deposited savings.

George Kennan's Siberian Papers.

THE illustrated papers descriptive of the Siberian experiences of Mr. George Kennan, the author, and Mr. G. A. Frost, the artist, will begin in the May number of THE CENTURY. Their appearance has been deferred on

account of Mr. Kennan's desire to group in preliminary papers—the last of which is printed in the present number—an account of the conditions and events in Russia directly related to the exile system. This system is now to be minutely described and elaborately pictured; and by way of preface to the first illustrated paper Mr. Kennan will, in a brief statement, answer the question as to how he came to enter upon his arduous and somewhat perilous investigations, and why he and his companion were accorded such extraordinary facilities by the Russian Government itself.

OPEN LETTERS.

The Department of State and the Diplomatic Service.

ONE of the suggestions which President Arthur made in his last message to Congress was that the President should be authorized by law to fix the grade of the diplomatic agents sent by our Government to other powers. The change thus proposed would undoubtedly have been in the right direction. If we are ever to have an organized diplomatic service, it will be necessary that the control of the service, or at any rate of most of its details, shall be left to the Executive and the Department of State to a far greater degree than is now done.

The fact, but little commented on, that the present Administration has made but few changes among the secretaries may perhaps be taken to indicate a disposition on its part to prepare the way for an organized diplomatic service. It is time, therefore, that it should be made clear that the management of such a service by the Department of State will be necessary to its successful operation.

The incessant and capricious meddling of Congress in the affairs of the service has been productive of much harm. The abolition, so common in our legislation, of a mission or a secretaryship one year, to be restored the next, has had no effect but to make the holders of these positions unhappy, to disgust and demoralize other members of the service, and to lower our Government in our own eyes and in those of the world. The matters of which the Department has cognizance are of such a delicate nature that it should not be necessary to submit them to the public criticism of several hundred persons, some of whom will not scruple to make the Government ridiculous if by such action they may gain any advantage for themselves or a little amusement.

But it will not be enough that the control of the diplomats be left to the Executive and the Department. The President and the Secretary of State, however able and patriotic they may be, are not likely to be versed in foreign habits and traditions. The administration of the diplomatic and consular routine should be mainly in the hands of the permanent officers of the Department. These should themselves have had considerable experience of diplomatic and consular life. They should be paid salaries proportionate to the dignity and importance of their duties; and their places should undoubtedly be permanent.

Such a staff of officers would have—partly, at any rate—under their control many important subjects. In the matter of promotions they would give the Secretary the advantage of their knowledge of the men and of the requirements of the posts. It may be asked whether under such an administration of the service there would not be room for favoritism. The answer to this is that favoritism in the administration of human affairs is one of the things inevitable. It is possible to devise no system of administering a service in which favoritism will not play a part. Has there been no favoritism under the old system? But the chance that merit will be considered in making promotions is certainly greater if the service is under the control of responsible individuals, open to public criticism, than if the appointment is the work of a vague syndicate of President, Secretary of State, confirming senators, and appropriation committees.

It is easy to perceive that there are many things which could be left to the discretion of a well-organized department which are not fit to be made matters of public discussion. Take such a question, for instance, as the comparative social fitness of men for some post the demands of which are peculiar. This is often a proper subject for consideration. The discrimination in favor of a person with a peculiar gift for distinguished society need not be of an aristocratic nature. It is not necessary that the man promoted upon this ground should be of distinguished connections. The reverse would be the usual case. A talent of this sort is apt to be inborn. It is particularly so in this country, where the man who suits European standards of manners is as likely to come from one set of people, or from one part of the country, as from another. The quality is apt to exist in men of bright intellects. Fine manners and a fine accent are likely to go with fine perceptions. Then the clever fellows learn rapidly. A little experience does wonders if the material is of the right sort.

The Department, of course, would have ample opportunities for knowing the men whose merits it would have to pass upon. Besides having their work before it, it would know them in person. We should, of course, adopt the excellent custom of other countries. In most services a diplomat begins the career by a period of employment in the Foreign Office, and often returns there, either by an exchange with one of the clerks or otherwise.