

EDITORIAL

THE PITTSBURGH BANK CRASH.

By DANIEL DE LEON

THE closing up of the First-Second National Bank of Pittsburgh by order of the Comptroller of the Currency, and the consequent closing of the First National Bank of McKeesport, is the “first blood” drawn in the conflict between the Wilson Administration and the National Bank system.

Regardless of the claim of the directors of the banks that they ran those institutions not for their own account “but for the good of the community,” and in pursuit of its plan to place in the people’s hands the “instrumentalities for freedom,” the instrumentality being, in the opinion of the Administration, the facility to obtain credit, the Administration concluded to close one of the institutions which it pronounced as guilty of holding the “instrumentality” as its “own possession.”

The private holding of the credit instrumentality was not the cause assigned for the blow that fell upon the banks in question. The cause assigned was the “shrinkage of the value of the securities.” The fact, however, that the banks in question held controlling interests in a great variety of industries—waterworks, mines and railroads—all of which are fields in which smaller concerns are struggling and gasping vainly for “credit,” leaves no doubt as to what the real meaning is of the Administration’s action.

It has begun.

And the beginning unveils the Administration’s determination to push its program through, whatever the number may be of the enemies whom the program may make.

The nature of a goodly number of these enemies, and the size of the number may be gauged from the circumstance that “scenes of desperation that were pathetic” occurred before the closed doors of the banks in question.

Finally rapid motion in putting through of program is part of the Administration's program. Only rapid motion will give the main body of the program time to weather the storm that the enforcement of the program will conjure up.

Can the storm be weathered?

Whether it can or not, the storm has started to blow.

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