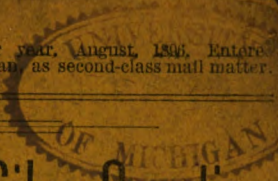


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THE

Banking Octopus and the Silver Question

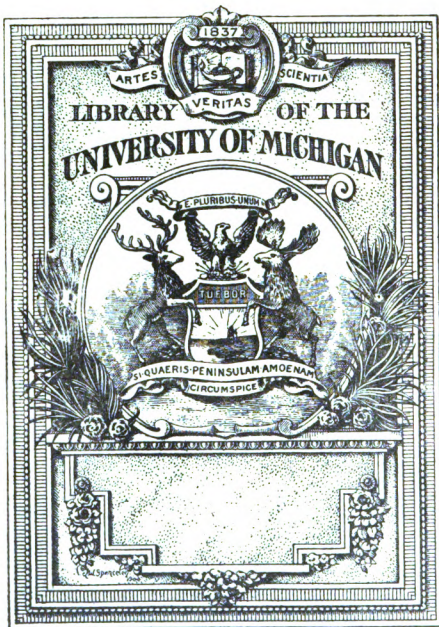
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THE BANKING OCTOPUS

AND

THE SILVER QUESTION,

AN

American Financial History.

BY

F. M. FOGG.

1896.
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TO MY BELOVED PARENTS I DEDICATE THIS BOOK,
WHO IN EARLY LIFE BENT MY
YOUTHFUL MIND TOWARD ALMIGHTY GOD AND THAT
FULLEST FREEDOM OF THOUGHT AND
ACTION, WHICH A BELIEF IN
HIS UNIVERSAL AND ONLY SOVEREIGNTY INSPIRES.
MAY IT HELP FORWARD THE SOCIOLOGY
OF A TRUE CHRISTIANITY
UNTIL THE ANARCHISM OF HEAVEN IS ESTABLISHED
AMONG MANKIND.

CHAPTER I.

THE PLOT.

Some years ago there lived a very prosperous farmer and his family who it was supposed must have a large sum of money secreted about his farm buildings. He kept no bank account, but was industrious and economical. The fame of his wealth spread, and finally reached the ears of a gang of highwaymen, who at once determined upon robbery. The desperados secreted themselves in a wood, in the immediate neighborhood of the farm, and awaited a suitable opportunity to make their descent, like vultures, upon the family. The time came sooner than expected! The night was dark and stormy. A drizzling rain made it unlikely that any one would be stirring out—just the kind of weather for deeds of darkness. The robbers, one at a time, crept out of the wood in different directions. They feared neither policemen nor constable. Officers too often in league with criminals. They were well acquainted with the habitual corruption of courts. So they exercised a boldness not common to men of this class. Quietly, however, they reached the farmhouse. Every door and window was

fastened securely, but after searching all other available places for an entrance they at last discovered a cellar window, although closed, yet left unfastened by the neglect of some one. Through this they crept, one at a time, leaving only one man on the outside to keep watch and give the alarm if any one approached. From the cellar they emerged into the kitchen, and then separated, that they might attack and overpower the inmates of the household in their bedrooms at once and at the same time. The plan succeeded.

All the male members were awakened only to find the muzzles of revolvers at their heads and in the hands of masked men, who ordered them to be quiet with voices that had murder in every intonation. They were securely bound and gagged. The female portion of the household, too frightened to do otherwise, quietly submitted to the same binding and gagging process. All having been secured the work of search and seizure was gone through with. Everything of value was taken and put in piles upon the floor; but no money was found. Then the real crime of the fiends commenced. They tortured every member of the family to make them disclose the hiding place of the treasure, but without avail. Each one of the family protested that he or she knew nothing of any treasure or hiding place.

At last the robbers took the old man, bound and gagged and put a large rope, with a slip-noose in the end, around his neck. They dragged him to the barn and threw the long end of the rope around a high beam, then dragged the farmer up, leaving him just so his toes touched the floor, and kept him there until to save his life he was compelled to give up his hard-earned cash. After debauching the females and inhumanly torturing the males, the robbers left with their booty, and at last accounts had not been apprehended.

The poor family were left bound and gagged until morning, when an absent son returned and found them. The old farmer died from his injuries the next day, and two of his debauched daughters now lay in a precarious condition. There is talk of lynching the robbers if they are caught, but the police and constabulary will protect them from the mob, and the lawyers for the defense will make a

strong case in their behalf, while the court is suspected of—well—judges are only lawyers grown old with consciences toughened.

This little story, based on fact, represents, though feebly, the relation that exists between the producing classes and the banks of America. The courts, lawyers, and constabulary hold the same relation to the banks they do to the robbers above mentioned. The banks are the great disbursing agencies of the government, and the principal source from which the people obtain loans and discounts. Such being the case they have the power to contract and expand the currency of the nation at will. Any refusal on their part to extend loans to the people or any general refusal to discount notes will produce a general financial panic like the present one (1893), or the dozen or more former ones which have occurred in our nation's history.

CHAPTER II.

REVOLUTION.

The first financial panic this country ever saw was forced by the monopolies, trust companies, and moneyed classes of England upon our forefathers in the time of George III. It was called a revolution. Like the present panic it was caused by a war upon silver—the Pine Tree Shilling—and legal tender paper issues by the then English colonies in America. The demonetization act and restraining bill, passed by the British parliament in 1748, resulted in the declaration of Independence. The first mint in the American colonies was established in Boston in 1652. It was established to coin silver and keep it in circulation. It was soon closed by orders from England, but notwithstanding them it was again opened in spite of prohibition by the mother country in 1675. It may be well to say here that the issue of mediums of exchange by the colonies in any form, metallic or paper, were from first to last opposed by Great Britain, and consequently by the governors of the colonies who were appointed by the British government. In 1688 for the second time Governor Andros compelled the Boston mint to be closed, and the instituting of it formed one of the principal charges against Massachusetts for which the charter of that colony was revoked in 1691. In 1720 the Royal Instructions forbade the governors of that colony to sign any acts for issuing paper money. In 1740 the British parliament declared the old joint companies' act to be of force in the colonies, this even compelled the banks to wind up.

In the year 1748 originated the act for regulating and restraining bills of credit in the colonies, and declaring that in no case should paper money be made a legal tender. Every effort to coin silver or issue paper in the colonies was

overthrown by the machinations of the British money classes and oppressive edicts of parliament, until these repressive currency measures (like those of the American congress from 1866 to 1896) called forth a protest from Samuel Adams, John Choate, Benjamin Franklin and Patrick Henry, as an invasion of personal liberty. Paine's "Rights of Man" followed, and there can be no doubt that the bitterness engendered by the controversies and conflicts over the issues of paper money and the stopping the mintage of silver was one of the principal causes of the Revolutionary war.

This view is confirmed by Professor Sumner in his history of American currency, and by Horace Twells, an eminent English financier of this century, who says: "In an evil hour the British government took away from America its representative money, commanded that no bills of credit should be issued; that they should cease to be a legal tender, and collected all the taxes in hard silver. This was in 1773. This, the real cause of the disaffection of the American colonies, is passed over by most historians in silence."

Financial legislation a hundred fold less repressive than the Contraction Act of 1866, or the Banking Act of 1862-3, or the Credit Strengthening Act of 1869, the Refunding Bill of 1870, or the Demonetization Act of 1873—changing the unit of value from silver to gold,—the Resumption Act of 1875-9, or any one of a dozen other financial acts, passed by congress in the last twenty years—caused such men as Washington, Adams, Franklin, Hancock, Jefferson and Sherman, Putnam and Green, yes! thirteen American colonies to go to war against the mother country. A war that lasted seven years. It was an unequal struggle, yet glorious. It was against the same English money power we fight today. The same kind of trusts. Of all abhorrent trusts the money trust, the interest gathering trust, the usurer's trust is far the worst. A war against it of all wars the most glorious.

May the present controversy over silver and the greenback continue until all banks of issue are wiped out, silver remonetized and greenbacks take the place of bank bills, or let us have a redeclaration of Independence, a second revolution and a new constitution, providing for the

Initiative, Referendum, Imperative Mandate and Proportional Representation. In short, a democracy in place of representative oligarchies.

England failed in her attempted military conquest of the colonies, but no sooner had Lord Cornwallis surrendered his sword at Yorktown than she began our financial conquest, aided and abetted by Tories, Federalists and Whigs. The Hamiltonian school of politics has flourished in America, and would long since have imperialized the republic had it not been for the occasional triumph of the Jeffersonian school of politics, most notably under the leadership of Andrew Jackson and Abraham Lincoln, both men placed in power by the surging, restive, dissatisfied masses, and both men were fought almost to the death by the bondholding, bank stockholding, industrial slave and chattel slave owning aristocrats, north and south.

The interest-gathering, bond-clipping, industrial slave-holders attempted Jackson's assassination in the rotunda of the capitol, and did assassinate the reputation of himself and family. The same class of aristocrats made Lincoln a minority president and forced him to be inaugurated in secret, and the chattel slave-holders, or their tools, finally assassinated him.

Democrats who followed Jackson, and Republicans who followed Lincoln belong to the same school of politics, and naturally gravitate together in the present struggle against financial ruin and slavery.

CHAPTER III.

PANICS BEFORE THE WAR.

Parties change, principles never. The men who now favor gold monometallism under the disguise of "parity of the metals," the men who favor National Banks and protection in whatever party they are found have the same politics and belong to the same party as those old aristocrats, who, under the leadership of Alexander Hamilton, tried to form "a strong government" at the close of the Revolutionary war. This policy grew out of a want of faith in the people and a belief that they were incapable of self-government.

In a speech on this subject, June 18, 1787, Mr. Hamilton said: "I believe the British government forms the best model the world ever produced. * * All communities divide themselves into the few and the many. The first are the rich and well born, the other the mass of the people. Nothing but a permanent body (like House of Lords) can check the independence of democrats. Their turbulent and uncontrolling disposition requires checks."

With this as a foundation principle, Hamilton, who was the first secretary of the treasury, urged the establishment of a National Bank modeled upon the British system. Upon his recommendation the first bank of the United States was established with a capital of \$1,000,000. Three-quarters of which was United States bonds, and one quarter coin. The scheme of double interest with a vengeance was now commenced, and has been kept up down through a succession of financial panics and convulsions to the present disaster of 1893. The history of one is the history of them all. The horrors of bankruptcy, foreclosure, tax sales, mortgage sales, stop laws, stay laws, tramp laws, suicide,

crime, lunacy and imprisonment—all have been witnessed in each succeeding crash.

According to the News-Tribune of April 19, 1896, the tax sales in Detroit and Wayne county—the wealthiest county in the state—increased from **\$3,707** in 1895, to **\$22,504** in 1895—over 500 per cent.

The Tribune says, “the descriptions of property, sold for taxes, includes a large percentage of the homes of the laboring poor, who have been forced to quit paying on their property for the reason that the burden has become too great to shoulder.”

Partisans who read this, however, who should be watchful to see that taxes are not unnecessarily increased, and powers and means of payment decreased by legislation, will no doubt, since this has been done, spend more time trying to excuse their parties with falsehood and sophistry than they will in trying to destroy and overthrow them—although deserved, for their political crimes. Patriotism is now swallowed up in partisanship, and men seemingly love to be robbed and see their country defrauded—provided the fraud and robbery is committed by their particular party.

The first panic after the charter of this British banking system in America occurred in 1809, then followed others in succession as follows, to-wit: 1814, 1819, 1825, 1834, 1837, 1839, 1841, 1857, 1861, 1873, 1881, 1893. When Hamilton inaugurated this terrible robbing scheme in 1791, Pitt, the great English statesman, said: “Let the Americans adopt their banking institutions, and their boasted independence will be a mere phantom.”

With what crushing power we realize the force of that prediction in the light of our present humiliating position, with our president on his knees before that same John Bull who surrendered to George Washington, begging him to take our bonds into his pawnshop and accept a mortgage upon our people forever. Each and every panic has been preceded by an expansion of credit, banks have increased their loans in every direction, enterprises of every kind have been stimulated, money loaned on doubtful security, corners in wheat, pork and cotton and trusts of every nature encour-

aged; when from no conceivable cause banks have as suddenly withdrawn their loans, refused discounts, and withdrawn their bills from circulation, tightened the slipnoose of contraction around the necks of all business enterprises and choked them until they delivered up their property for a tittle of its actual value. Contraction is the vampire which sucks all the life-blood out of business enterprise.

When the banks refuse to loan money on good security, or when even, from any cause, they are unable to continue discounts on the same security as formerly, all business becomes crippled. Men who are in debt must sell their property at ruinous sacrifices to meet their obligations, general bankruptcy and universal business disaster take the place of prosperity and thrift. Every panic in our history came like a clap of thunder in the midst of the greatest prosperity. It was the explosion of a cannon on a fete day. When the smoke cleared away the only account taken was that of the dead, wounded, and missing. Even bankers themselves are destroyed by the general disaster which their system makes absolutely certain. Under the present system of loaning and discounting money the banks, like the robbers above, have a slipnoose around every neck of every man doing business, and can draw everyone of them up over the great beam of their cupidity and there hold them on tip-toe until forced to part with the savings of a life time. Every panic is but the bankers pull upon the hangman's noose, already fastened by successive congresses of incompetents, around the necks of prostrate industry through a false and fallacious financial system, which places the producing masses, bound and gagged, in the hands of the unproductive money loaning, interest gathering classes.

When at the close of the war the republican party destroyed the paper currency and paper fractional scrip and issued bonds in its place, it placed every producer of wealth between the iron jaws of the National bank sharks. When it afterwards demonetized silver it simply increased the size of the sharks' jaws, and whetted their appetite. When after-

wards the Sherman law was repealed the shark simply swallowed all there was left of financial hope for the people, as the whale swallowed Jonah, and we believe the dose will kill that greatest living Octopus of all—the National Bank system.

After these three financial acts the banks control all there is left of the currency: They tighten the money market. They not only tighten it but tie it up absolutely. This reduces the value of all securities. Railroad stocks that were good formerly become worthless as collateral. Real estate that yesterday was gilt edge will not be taken at the banks tomorrow. Stocks of machinery and goods are no longer good security. Nothing can be used to hire money upon but the best income property, while the banks by contracting their loans have decreased the value and incomes of all property.

The following, taken from the Detroit News-Tribune, of April 19, 1896, illustrates the situation :

“The money market is tight, but not because there is not enough money in the hands of capitalists and banks, but because these holders of the needful are generally dissatisfied with the security offered. One Detroit banker says the tightness is necessarily caused by a demand for money to be used by merchants or manufacturers to buy stocks or machinery, or to finish goods for the market, or by speculators who wish to invest in securities which have been abnormally low. For instance, a manufacturer may go to a bank and say he wants a loan of \$10,000. The bank authorities say :

“What are you going to do with it ?”

“Well, I want to buy a little improved machinery and new stock.”

“But,” says the banker, “you have made no profit on your product for two years. What have you got for collateral security ?”

“I have 'steen shares of —— railroad stock,” said the merchant.

“But that road lost money last year and didn't make any the year before,” answers the bank officials.

“Well, I have a small subdivision on the Rouge, which is worth something.”

“Oh, yes; it will be worth money some time,” says the banker, “but not now.”

At this point the incident is generally closed, and the

would-be borrower goes out of the bank with a feeling as though he had been struck with a stuffed club. But he might also say:

"I have a row of four brick houses, that I have rented to good tenants, who pay me 'steen dollars a month in advance."

"Ah, that is different," says the bank official. "Let us have the houses. They are making money."

"The trouble with many manufacturers and merchants is that they have no income-producing property, like the borrower above cited, and the banks have to give them the marble heart."

The fact is here plain, by panics the banks render everything worthless but the choicest inside city property. The banks make the panics. The banks give us the "marble heart." Merciful God! when will the time come that the voting asses and business fools of America will learn that they can establish a government banking system like the government postoffice system, and the people, through their government, can loan money to themselves; then all property will be income-paying and no National bank or private bank shark can give them the "marble heart."

How long will we be such driveling idiots as to delegate to private corporations the right to issue, loan and receive on deposit the people's money, a sovereign function which should be exercised only by the government itself?

CHAPTER IV.

PRESENT PANIC—ITS CAUSE.

In the present panic (1893) the first explosion heard came from England. At least six of our periodical panics first started in England, due wholly to an attempt to maintain a specie basis, which, by the way, is impossible for any given length of time. In February, 1893, several million dollars of American railroad and other securities held by British capitalists were placed upon the New York market at prices much below their real value. The railroads had undergone no change in their management, their earnings were kept up to and in many places above their usual normal standpoint. Business all over the United States was prosperous. Dividends were regularly paid, but English capitalists for some unaccountable reason wanted gold. The Barring Bros. and several of the other leading and oldest banking houses in England had failed. It finally came to the surface that English bankers and capitalists had been recklessly speculating in South America, Africa, and Australia.

The Detroit Tribune of April 27, 1895, had the following news item: "The weekly settlement at London was satisfactorily concluded. The payment for mines was enormous, and money suddenly became scarce and loans were made by the Bank of England. Most of the £60,000 in gold exported Friday to the Cape is in connection with the issue of the City of Johannesburg loan, and is a special operation. Gold is still bought by the Rothschilds in the open market."

This was simply one item of many columns, such matter that had been appearing in the press for two years. For several years European bankers had been buying gold as merchants buy hogs and pig iron. (A commodity money! What a curse.) They had met enormous losses in Panama

and elsewhere and must realize cash to make up the deficit in their bank accounts. The best securities, and those which could be turned into cash the quickest, were the "American's."

Now let it be borne in mind that none of these securities were due, payable or collectable. The companies they were against were solvent. But by placing those securities on the American market for less than they were worth European capitalists could realize upon them and obtain the cash. These securities were purchased by American capitalists in our large cities, and paid for in paper currency, including silver certificates. This enormous sale of foreign holdings of American securities made an unusual and unheard of demand for gold. Now one would suppose that if England wanted gold or any other commodity in this country the place for her to get it would be to go to those persons who have that commodity for sale. Not so with gold however — a commodity like every other metal — but because of the ignorance of our people on financial questions as reflected by our congress in 1875, we unwisely, yes foolishly, made a law binding ourselves on and after 1879 to redeem in coin, or its equivalent, all obligations of the United States, even including our paper money.

This law is called the Resumption Act. How few people realize its force and far reaching scope. How few people realize that under this law our nation is forced to maintain a reserve of \$100,000,000 in coin in the treasury for resumption purposes. That under the rulings of the secretary of the treasury that reserve is interpreted to mean gold; that silver is no longer a final redemption money; that this act and this reserve is unnecessary if the government issued all her money and made it a full legal tender for all debts, public and private, including duties on imports, and interest on the public debt. That if the government made all its money of hard silver it would need no Resumption Act.

That the only paper money we have made since the war a full legal tender, and receivable for duties and payable for interest, was the demand note. That it never fluctuated,

but kept at par with gold throughout the war and ever after so long as it was in circulation.

In proof of this The Labor Union, of Minneapolis, of May 9, 1896, published the following, copied from the the Chicago Sentinel :

“Ralph Beaumont in a recent letter to the Missouri World makes the point that the greenback dollar never depreciated an eighth of a mill for all the purposes for which it was made.

“The greenback has always been 100 cents for what it was created for. There were two things that it was not a dollar for; those were duties on imports and interest on the public debt, and the demand for gold to meet these two demands, caused it to go to a premium, and it is a mistake to say that greenbacks were depreciated. The real truth is gold appreciated. The greenback is an honest dollar as far as it was made so, and it is responsible to no one for being a bastard only the republican party.

“There was another greenback that Mr. Beaumont does not refer to. It was termed the demand note, was not redeemable in gold, but filled just as many offices as the gold dollar. This greenback was good at the custom house, and the interest on the public debt could be paid with it. It therefore kept even pace with gold all through history. There were 60,000,000 of these issued, and were the first sent out by Lincoln and Chase.

“There was another note also called the 7-30, upon which interest was paid, and passed from hand to hand until the interest accumulated sufficiently to make it an object for hoarding purposes, but it is the demand note only we have reference to here.

“During the last campaign the junior editor of this paper attempted to make a speech in the neighbor town of Channahon and referred to this demand note as being something of a scientific circulating note, as it filled all the requirements of gold or any other money in circulation, and therefore was worth just as much as any other. When gold sold at \$2.85 on Black Friday for special purposes, the demand note went up with it and sold for \$2.85.

“After the speech George Gaskill, an old acquaintance, arose in the audience and said that very incident of a demand note caused him to investigate the financial question. Early in the war he met an old neighbor on the highway who paid him \$50 in one of these demand notes.

“‘What is that?’ I asked,” said Mr. Gaskill, “for I had never seen or heard of anything of the kind before.”

“‘Why,’ said this neighbor, ‘that money is as good as

gold. That is a government note, given out by Uncle Sam himself."

"Mr. Gaskill said he kept the note a year or two, not needing the money, and one day when in Joliet offered it to Mr. Barrett, a hardware dealer, in payment of a bill he owed of \$31.75.

"Great Scott!" exclaimed Mr. Barrett. "Where did you get that?"

"Why, what's the matter with it?"

"Why," replied Mr. Barrett, "that note is as good as gold." And he gave back to Mr. Gaskill over \$60 in change, so that Mr. Gaskill got over \$90 for his \$50 note—very good interest, by the way, for a couple of years' time.

"This is one of the reasons the great money kings accumulate their wealth so fast and the farmers and producers lose ground so rapidly. The wealth is transferred from one to the other by financial legislation. Mr. Gaskill hid his \$50 in a napkin and received \$40 bonus on its idleness.

"We have had very much of this class of legislation in the past thirty years. Time and again one-half the value of all the marketable property in the land has been transferred by one sweep of a presidential pen from the possession of the industrious classes to the speculative classes.

"Do you know of any tariff legislation or any other measure that can sweep the decks like this?"

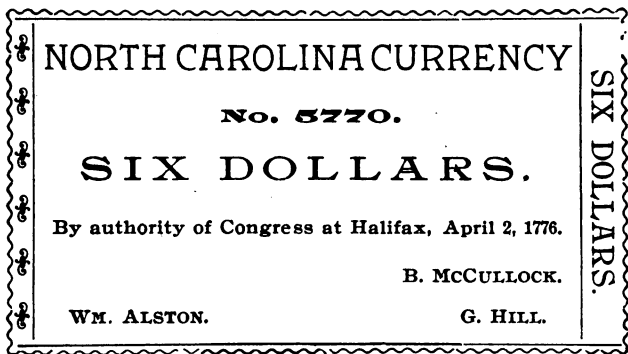
This article establishes the fact that money depends for its value upon its utility, not its possible redemption in coin.

The demand note had all the functions of money—a perfect money. Gold can have no more. Its commercial value is its curse. For the moment the commercial value of the metal in the coin rises above its coin value—or rather legal value—that moment gold disappears from sight, or crosses the ocean. Contraction and consequently panic follows. We do not want "sound" money—that is money we hear about but never see—but real tangible money. Money we see and feel, whether we hear of it from politicians and bankers or not. Such is the greenback. The best redemption a money can have is in taxes and revenues.

In congress, September 13, 1837, John C. Calhoun said: "It appears to me after bestowing the best reflection I can give the subject, that no convertible paper—that is, no paper whose credit rests on a promise to pay—is suitable for a currency. It is a form of credit proper in private transactions between man and man, but not for a standard of

value to perform exchanges generally, which constitute the appropriate functions of money or currency. I hold credit to possess in many respects a vast superiority over the metals themselves. I object to it in the form which it has assumed in the banking system for reasons that are neither light nor few, and that neither have nor can be answered. The question is not whether credit can be dispensed with, but what is the best possible form, the most stable, the least liable to abuse, and the most convenient and CHEAP. I believe that government credit in the form I suggest (treasury note) combines all the requisites of a credit circulation in the highest degree, and also that government ought to use no other credit but its own in its financial operations."

The republic of Venice had a paper money based on national credit over 400 years that kept at par with gold. Calhoun says: "North Carolina once had a paper money based on duties and revenues that never fluctuated but kept at par with coin." The form was as follows:



Calhoun states the position correctly. The fight is now between government issues and bank issues, the same as in 1837. The banks despise government issues of silver as much as paper. They despise anything that can be had in sufficient quantities to dispense with bank issues altogether. Hence their fight for the scarcer material—gold.

The Resumption Act is therefore a fraud upon the people. To maintain it the government must periodically issue bonds to buy gold. This will make the debt perpetual. Or

there must be kept such enormous tariffs and revenues constantly flowing into the treasury as to forever impoverish the people.

The overburdened and tax-ridden people will not put up with either alternative very long. Cleveland's policy is to issue bonds to maintain the gold reserve, or to retire and cancel the national treasury note (greenback). The republican policy is to place upon the people such high taxes, called protective tariffs, as will maintain the gold reserve against all syndicates, foreigners, and other possible contingencies. Either policy is disastrous.

A better policy would be to repeal the Resumption Act, retire the bank bills and issue an unlimited coinage of silver in their place at a ratio of 16 to 1. Any deficiency in the currency could then be supplied with legal tender treasury notes, as advocated by the Jeffersonian school of politics since the foundation of the government.

Under the Resumption Act any republican president would have done just what Grover Cleveland has done, except, perhaps, the republicans would have raised more revenue by higher duties to protect their especial bed-fellows—the trusts and other monopolies. Cleveland serves the classes and robs the masses openly. The republicans do the same thing more effectually by secret conclaves and machinations, while falsely pretending to be "holier than thou." Republicans pray for God to bless the poor, then go out and plunder them of all God's blessings. This is only one way of robbing the altar of God. Only one way of stealing the livery of Heaven to serve the devil in.

We hope to see the time when Christians will vote as well as pray in the service of Almighty God. So long as the Resumption Act stands the government must ever be in readiness to redeem in coin all its obligations, and all money for which private obligations are exchanged; hence by indirection all our securities in Europe are placed on a gold basis, and the government must supply the coin. It cannot be done without panics, whenever our corporate securities held abroad are returned for sale in any considerable quantities.

When this Resumption Act was on its passage in the house, William D. Kelley, of Pennsylvania, said: "Upon what demands do we propose to resume gold payments. Over \$300,000,000 of greenbacks, over \$300,000,000 of bank notes, \$2,200,000,000 national debt, \$385,000,000 state securities, \$543,000,000 city securities, \$2,170,000,000 railroad and canal bonds.' 'Gentlemen may say,' 'why the passage of this act does not mature those obligations. No, gentlemen, it does not; and I do not pretend to assume that the conversion of all, or a considerable proportion of them will be sought; but when you remember that all those securities are marketable in our market, it matures all of them that may be held by foreigners who can send them home, have them sold and draw the proceeds in gold. It puts our government in the attitude of holding itself up as the reservoir of gold from which all its creditors and those of our people (and they are found in all civilized nations) may draw for gold when they need or desire it. It puts upon the gold paying basis all book accounts, promisory notes, and mortgages and judgment debts. It piles up such an amount of debt as no nation has ever undertaken to pay in a money based on a single metal."

Such was the situation the Resumption Act placed us in then, but far worse is the situation today. Our creditors abroad are selling American securities in our markets and taking our gold away. We are constantly issuing bonds to supply the reserve. We must continue to do that ad infinitum, raise the tariffs to tax the supply from the people—which will not necessarily bring gold—redeem in silver or repeal the Resumption Act. Repeal the Resumption Act is the best policy. Redeem in silver is the next best policy. But the bond and tariff policy must stop or the sword and torch of revolution will soon overshadow the land.

"God give us men! A time like this demands
Great hearts, strong minds, true faith and ready hands.
Men whom the lust of office cannot kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who love honor; men who will not lie;
Men who can stand before a demagogue

And damn his treacherous flatteries without winking,
 Tall men, sun-browned, who live above the fog
 In public duty and private thinking,
 For while the rabble with their thumb-worn creeds,
 Their large professions and their little deeds
 Mingle in selfish strife, lo! freedom weeps;
 Wrong rules the land and waiting justice sleeps."

Influenced by money brokers we made one kind of money redeemable in another kind of money. Under the Banking Act we have bank bills redeemable in greenbacks, and under the Resumption Act we have those same greenbacks redeemable in coin. Still further, under Grover Cleveland's stupid, asinine policy, we have a United States treasurer redeeming two-thirds of that coin, viz.: silver, in gold. Thus placing the national treasury and the entire people at the ruthless mercy of American and foreign money changers. The interpretation of the Resumption Act should be left to no man, however exalted his position. It is sufficiently harmful when carried out according to its letter and spirit, which reads coin, and from the necessity of the case if from no other reason—because of the scarcity of gold—was intended to mean coin, i. e., both gold and silver.

The Lansing Republican of March 14, 1896, reporting Senator Cockrell's (of Mo.) speech in the United States senate, says:

"He argued that all government bonds were payable in either gold or silver coin under the Stanley Matthews joint resolution. He declared that there was not a single obligation of the government payable in gold, with one solitary exception—the gold certificates—and that their exclusive payment in gold was a voluntary assumption on the part of the secretary of the treasury. If it had not been for that assumption on the treasury department there would have been no trouble. There had been no raids on the treasury gold prior to October 14, 1891. The silver dollar had been up to that time the watch dog of the treasury, and had been infinitely more successful in keeping off gold raiders than the Rothschilds and the Belmonts had ever been since. 'And they are still the watch dogs of the treasury in France and Germany,' Senator Stewart (pop., Nev.) suggested.

"Yes, everywhere, except in the United States."

When gold began to go across the water because foreign holders of American securities had dumped \$100,000,000 or

thereabouts of our stocks and bonds on the American market at an enormous sacrifice, instead of quietly buying them at a discount, keeping still, and when the paper paid for them, was presented for redemption, redeeming it in silver or gold at the option of the government, thus making the necessities of our English cousins our opportunity.

Our bankers and financiers, including the president, and his entire cabinet raised a "hue and cry" against silver, which composed over two-thirds of our final redemption money, demanded the repeal of the so-called Sherman law, and by threats on the part of bankers the withdrawal of loans and refusal of further discounts, a financial panic was precipitated which threw the entire country into confusion, panic, rout, yes, convulsions. During which by threats, cajolery, bribery, and the liberal use of public patronage, the money changers through their willing tool, Grover Cleveland, and their paid attorney, John Sherman, the cuckoo democracy and republican anglomaniacs forced the repeal of the Sherman silver law, which provided for the coinage of from two to four millions of silver dollars monthly; and destroyed what was left of America's silver circulation. During this crisis the danger to the republic of the lodgment of so much public patronage in the hands of the president was made apparent. The warning voice of Jefferson on this subject was recalled. America's chief executive had official patronage enough under his control to bribe the political leaders of a nation. Cleveland and his republican lieutenant, John Sherman, had the cold blooded, heartlessness to do it

The Detroit Tribune, of February 12, 1896, contained the following brief excerpts from the speeches of Senators Wolcott of Colorado, and Lodge of Massachusetts, delivered in the United States senate the day previous :

SENSATIONAL SPEECHES.

"Mr. Wolcott interjected a brief but somewhat sensational speech. He said the real menace to the country was the power of patronage lodged with the executive, and which had never before been used to such an extreme as under the present administration. A free coinage bill would

have passed through the last house of representatives had not the power of patronage been brought to bear by the administration especially the patronage controlled by the secretary of the treasury.

“Colorado was today flooded with appointments, many of them unfit ones, made by the secretary of the treasury for congressmen who had ‘ratted’ on the silver bill. Thus constituencies had been debauched. The best service that could be performed would be to deprive the president and his cabinet officers from the entire power of patronage, so that no longer senators and representatives would hang around the White house and cabinet officers begging for morsels of patronage.

“Mr. Lodge said patronage and favoritism were un-American. A system which compelled senators and representatives to go ‘huckstering for messengers and tide waiters’ and to hang around the ante-rooms of the president and the cabinet officers was degrading and wrong.”

Those who think the control over the public patronage should not be taken from the president should paste the following in their hats, taken from the Battle Creek (Mich.) Journal, ex-Congressman Williard’s paper, April 25, 1895. It shows what a bull-headed man, who imagines himself a Cæsar, but is really a little Nero, can do in the white house: “Cleveland is said to be inclined to resort to heroic remedies to repress the growing silver sentiment of the country. It is even hinted that he will make adherence to his own financial views a condition of political favor and that he may insist that all federal office holders shall place themselves in opposition to the silver movement.”

Cleveland did resort to heroic remedies to repress the silver sentiment in Michigan at the democratic convention in April, 1896.

The following editorial from the State Republican of May 1, 1896, containing editorial extracts from the Detroit Free Press and Tribune, strongly points out the methods always resorted to by the so-called “sound” and “honest” money politicians to perpetuate banking, usury, and slavery:

“The recent democratic state convention at Detroit presents one of the most dangerous and intolerable examples of party bossism which this state has ever witnessed. The delegations sent from the several counties to that conven-

tion gave the free silver element a normal majority of at least 200 upon the face of the returns, but that majority was changed to an adverse majority of over 50 votes; and all this was accomplished in about twenty-four hours.

"How was it accomplished? The explanation is simple enough to be comprehended by the most obtuse. That convention was overslaughed by Grover Cleveland, through a concentration of the federal force of officeholders, led by Hon. Don M. Dickinson and a staff of picked lieutenants.

"It was of the utmost importance that the Michigan delegation to the democratic national convention should indorse the administration of President Cleveland, and line up as a unit on the gold standard platform, and every energy of the administration was directed to the accomplishment of this end, regardless of the actual sentiment of the masses of the Michigan democracy. That end was accomplished; and the fact that it is possible for any president of the United States to so concentrate and direct his army of officeholders in any state as to stifle and over ride the wishes, and nullify the acts of his party in its state councils, is of itself a most startling development, and one which should arrest the attention of every voter in this country. It is a most flagrant example of the effects of that same centralization of power whose evils Jefferson charged the federalists with endeavoring to saddle upon the country. The democratic party itself was, at its birth, Mr. Jefferson's visible protest against such a menace to a republican form of government.

"The State Republican cannot refrain from protesting against any such arrogant, dishonest, and dangerous attempts upon the part of an administration to interfere with a free expression of the popular will as is recited in the following paragraphs from the Detroit Tribune's report of the democratic convention held at Detroit on last Wednesday. It says:

* * * "From all parts of the state federal officeholders, who had neglected to get themselves placed on the list of delegates from their homes, hurried to the scene. Wherever they could force a delegate to yield them a proxy they did so, and where they could not secure seats as delegates they mixed in with the delegations as claquers. Everywhere postmasters and custom officers and other federal officeholders were to be seen working like Trojans to undo the will of the democratic voters as expressed in the county conventions. The extreme activity of the federal push was ample proof of the claim of the silver men that imperative orders, straight from President Cleveland, had been given the administration forces of Michigan to carry the convention for the gold standard, and that administration

cohorts had been sent through the state on fast express trains to personally see postmasters and order them to appear at the convention in person to whip delegates into line.'

“‘The sudden changing of a silver majority of 200 votes into an adverse majority of over 50 lent additional credence to the report that not only was office influence used but that boodle was extensively circulated. Instances were yesterday frequently cited where attempts were made to buy delegates.’” * * *

The Detroit Free Press even tacitly admits that the officeholders commanded the situation, in the following significant paragraph of its report :

* * * “The silver men's numbers were unorganized, while the machinery of their opponents, in the hands of such experienced workers as Rowley of Lansing, Dud Watson of Ottawa, Elliott S. Stevenson of Detroit, R. R. Blacker of Manistee, and other old-line democrats, worked too smoothly for the more vociferous silverites, such as Hummer of Ottawa, Barkworth of Jackson, and McKnight of Grand Rapids, and when the various districts had caucused yesterday morning it became apparent that not only would the administration be sustained, but the proposed instruction of the delegates to Chicago for free silver would be defeated. All the machinery of the convention went into the hands of the sound money men.”

“The Republican has no special interest which should cause it to sympathize with the defeated silver element of the democratic party. It simply points to the dangerous and arrogant methods employed in accomplishing the results attained.”

Republicans, however, should remember that this is not the first time, by large numbers, that methods both dangerous and arrogant have been employed not only by the democratic but by the republican party, to secure “sound” and “honest” (God save the term!) money. This is not the first time the constitution has been trampled under foot to rob the people with “honest” and “sound” banking schemes. It is not so very long since General Weaver was forced to remain silent in congress almost a whole term because a republican speaker refused to recognize him, fearing some legislation in the interest of the people, and opposed to “honest” and “sound” robber schemes of finance. We have

often heard of "honesty among thieves." We presume the "honest" and "sound" money schemes of today are of that kind.

While the efforts of the present administration are superhuman almost, in behalf of the English gold unit of value, let it be remembered that under Grant, Hayes, and Garfield similar work was done for gold in the Contraction Act, Credit Strengthening Act, Demonetization Act, Funding Bills, Resumption Act, public patronage was used to the same extent and quite as effectually. Let it also be remembered that the protection doctrine of the republican party is backed up and supported mainly by trusts and combinations, that are not only in league with the associated banks, but mortgaged to them, and that a clique of wealthy manufacturers—many of them bankers also—have and will control republican administrations, as Wall Street and London have, and do now, control the democratic administration.

A Washington correspondent of the *Arenac* (Mich.) Independent, May 15, 1896, says :

"There is much uneasiness among the more conservative men in congress, regardless of party, because of the apparent certainty that Governor McKinley will be nominated for president by the republicans. The older members of congress have not forgotten the scandal which floated around Washington when the McKinley tariff bill was being prepared by the house ways and means committee, of which Governor McKinley was chairman. It was charged that a clique of wealthy manufacturers absolutely controlled the making of such portions of that bill as they were directly interested in, which resulted in making the duties on many articles outrageously high—much higher than was needed for legitimate protection—and finally resulted, as everybody knows, in the defeat of the republicans and the repeal of the McKinley law. These men fear that Governor McKinley is still under the domination of those greedy manufacturers, who care for nothing but their own profit."

When any administration becomes so lost to all sense of honor that it will corrupt the people at their primaries and in their state conventions in the interest of its creators—the Bankers' association; or when a party becomes so completely a machine that it will and can nominate with a rush of

popular enthusiasm, around whom, and to whose skirts attaches the odium of being controlled by a clique of wealthy manufacturers, whose interests he is protecting by artificial law—class legislation—then truly the republic is in danger.

The Detroit News-Tribune of May 17, 1896, had the following special correspondence from Washington, D. C.:

“Ex-Senator Higgins, who has long been recognized as the republican boss, met with an humiliating defeat at the hands of J. Edward Addicks, an aspiring political leader, who boldly declared his intention of buying up the state if only to defeat his antagonist. There is no questioning the fact that political corruption in Delaware is unequalled anywhere in the Union. The practice in vogue of handing out tax receipts to individuals in exchange for their votes is a reprehensible one, and it is largely the cause for the present state of unclean political leaders and dirty methods of government in this state.”

Here we see the methods of corruption inaugurated by corporations reach from the president down to the individual voters. Will our readers realize that there is not one atom of this political slime, not one cubic inch of pestilential gas in which we live. Not a political wickedness or ward bosses brutality. Not a presidential degradation but shall work its retribution through every order of society up to the proudest of the proud, and the highest of the high. It will permeate every legislative artery, paralyze every productive muscle and end only in such ruin as came to Egypt, Chaldea, Jerusalem and Rome.

Soon our tombstone will be set up among the graves of dead Empires and fallen republics. Workingmen should not fight workingmen no matter what the nationality; there is no conflict between the toilers of the nations of the world. The conflict is between the avaricious, the ambitious, the usurers, those who are wedded to competition.

When the great breaking up of the nations of the earth comes, as come it will, let the workingmen, the toilers, the wealth producers, all be in harmony. All on one side. Let the royalties, the aristocracies, the creatures of class legislation, all be on the other, and when you shoot always shoot to kill systems, not men.

The republican and democratic parties are bad eternally, and everlastingly bad, because they are machines, political machines, created and controlled by artificial persons called corporations, for purposes of legalized robbery. Always remember the physical giant has as much right to rob the mental giant with muscle as the mental giant has to rob the physical giant with brains. For a while brains may rob the world by artifice, but the time always comes when muscle in self protection unites, and like a wounded lioness, makes who ever hunts it sorry for his temerity.

The financial jugglery and "bossism" of the present administration is only one of over half a dozen since the war, at which time the nation started down on the toboggan slide of Wall Street and 'Change Alley to financial destruction.

Oliver P. Morton once said in the United States senate: "There is gathered around the capital of this nation a gang of pirates who thundered successfully at the doors until they have driven this government into the most preposterous acts of bad faith and legalized robbery that ever oppressed a free nation since the dawn of history."

Writing of "bosses," have we not had bosses Cameron and Quay in Pennsylvania, bosses Conklin and Platt in New York, bosses Chandler and McMillian in Michigan, bosses Carpenter and Mitchel in Wisconsin, boss Clarkson in Iowa, C. I. Filly in Missouri, boss Harrison in Indiana, boss Sherman, McKinley & Co. in Ohio, boss Blaine in Maine, and bosses Hoar and Dawes in Massachusetts.

Is it not a fact that the same power possessed by the president over the federal patronage is possessed only in a less degree by the governor of each state in the federal union and the mayor of every city? Is it not a fact that this patronage in the hands of executive officers makes partisanship and "bossism" not only possible but necessary to political success? Is it not a fact that a few men compose and constitute a machine in both old parties, and control them and the people through them by these machines? The grease for the machines is office and money. The president, governors and mayors furnish the offices. The bankers and

protected trusts furnish the money, the people pay the bill, and the republic is on the high road to the devil.

The only way out is through the destruction of representative government and the establishment of a government of, for, and by the people through the "Initiative and Referendum." The republican and democratic parties are as closely allied as the Siamese twins. The ligament connecting them is the banking system. Their head, hands, feet and pockets are different, but their vitals are the same—viz: the Associated Bankers' trust, the money monopoly, the usury octopus. Kill one party, the other will die. They cannot live apart. Financial reform is as dangerous to one as the other. Every argument made against one is equally applicable to the other. Cleveland is only exercising the same power which made 306 men stand up for five days and vote in solid column for Grant a third term. Under this dangerous system of patronage it is not far from the white house to the throne room. Ours is a republic only in name. It is an aristocracy of wealth whose servants are called legislators. Before it is overthrown, according to the prophesy of Daniel xii, 1-2, "there shall be a time of trouble, such as never was since there was a nation even to that same time."

Before the Sherman act was repealed the universal cry of the banking fraternity was that the coinage of silver was driving gold out of the country and causing the panic, but after its repeal times continued to grow harder, failures increased, banks suspended payments. Debtors sold out to their creditors at foreclosure sales until the whole country will not now (1896) sell for its assessed valuation, and the outflow of gold has increased to such alarming proportions that the secretary has been forced to issue \$250,000,000 in bonds to maintain gold resumption.

So fast was the outflow of gold after the repeal of the Sherman silver law that the National Watchman of June 7, 1895, remarked editorially: "In 1894 the United States exported only \$4,528,942 more gold than they imported, yet the government had to borrow \$100,000,000 of gold during that year. For what, to settle foreign balances, pay foreign

debts or interest? No, to satisfy the greed of foreign and domestic cornerers of gold, that's all!"

February 15, 1896, Congressman Crisp of Georgia, said: "In 1873 congress demonetized silver." At the very threshold of the subject, he said, this was denied and it was also denied that up to 1873 we had bimetallism in this country. He read from statements made by Senator Sherman in 1876, that the demonetization of silver had caused a reduction of its price and had created a mad scramble for gold on the part of England, France and Germany, which had appreciated its price and had induced a fall in prices throughout the world. That fall of prices, Mr. Crisp asserted, was largely due, he would not say wholly, to the demonetization of silver. It was not the fall of prices that was complained of, but the constant and steady fall of prices due to the constant appreciation of gold. He read from Mr. Balfour's speech of the 11th instant in the English parliament, attributing the decline of agriculture in gold countries to the appreciation of gold and the artificial advantage it gave to silver countries.

Mr. Crisp affirmed the existence of a well defined purpose by those in authority both here and abroad to depress the price of silver in order to prevent its remonetization. He cited the manner in which the Bland-Allison act of 1878 was executed, the coinage of the minimum amount under the act and the refusal of the treasury after a few months to coin silver under the act of 1890. He cited Secretary Carlisle's refusal to give silver for gold in 1893 "because the silver was needed for the redemption of the treasury notes," and his course a few months afterward in redeeming those notes in gold.

"What kind of juggling is that?" he asked. "What sort of friendly treatment of silver is that?" (Applause.)

In February, 1895, congress could have saved the people \$16,000,000 interest by authorizing gold bonds. "Congress refused," said Mr. Crisp, "we paid \$16,000,000 for the privilege of paying in silver and now you attempt to deny our right to do so." (Applause.) -

"A week or two ago our condition was pitiable," he

continued. "We had just applauded the president's Venezuela message, and a few days later the administration, with shaking knees, was hysterically calling on congress for help. It was feared that Great Britain would take all of our gold. We were absolutely helpless in the face of the enemy. Yet you now want that condition perpetual."

Let the "honest money," "sound money," English gold unit readers of this book mark well these words: "WE WERE ABSOLUTELY HELPLESS IN THE FACE OF THE ENEMY." Why? Because we had adopted the money system of our enemies. Why? Because we had demonetized silver. Why? Because we had changed the unit of value from the American silver standard of measure or relation to the English gold standard of measure or relation. Why? Because we have been borrowing money in Europe to the extent of \$5,000,000,000, when Uncle Sam could have issued that money from the treasury in greenbacks or coined it at the mint in silver and loaned it to the people direct, and the government would now hold the bonds and stocks as security which foreigners hold.

No danger would exist, as now does, that a panic may occur any moment, caused by foreigners dumping our securities on the New York market, and taking our English basis away, had Uncle Sam furnished the people with sufficient money to do business without going abroad for it. Had the government loaned this money to the people the hundreds of millions of dollars now going to Europe to pay interest would be going into the treasury of Uncle Sam to pay interest and support the nation.

We are a nation of fools to borrow money in Europe so long as Uncle Sam can coin one dollar of silver and loan it to the people. Silver should be so coined and so loaned so long as there is one ounce of bullion in the country, until every dollar of foreign and domestic debt, except to the nation, is paid, and every wheel of industry in motion.

No foreign nation should become the creditor of our people so long as the government has power to loan money to its citizens, and plenty of money or material to make money to loan. England started out to steal Venezuela, or

a part of it. President Cleveland said, "Stop!" England replied, "Keep off, Samuel, or I will bankrupt every business institution in America. Don't you see you have adopted the gold unit of measure—the English standard. You are a debtor nation. I am your creditor. I will take all your gold basis away."

We had to submit. Not to England's guns or soldiers. But to England's usurers and bondholders. The English lion, which is nothing but an English hog disguised in a lion's skin, set President Cleveland and all the financiers in America shaking in the knees, and hysterically calling on congress for help by simply threatening to bring a financial crash if we insisted on the Monroe doctrine. We weakened.

England's mere threat had the following effect in our money centers however. We take the following from the Detroit Evening News of December 21, 1895:

"New York, Dec. 20.—The stock market has been wildly excited today. The breakaway came to most people in the street as a total surprise, nothing being in sight over night to portend any extraordinary developments.

Before the opening this morning, matters began to assume a questionable shape in the judgment of Wall street veterans. The first quotations received for American securities from London created a sensation and prepared the bankers and brokers for a stormy day. The prices recorded showed declines extending to 5 per cent and the London market was reported decidedly "ragged." Each successive cable indicated still lower figures and it was finally reported that many "jobbers" on the London stock exchange had refused to accept orders.

"The unfavorable news was coincident with preparations by the gold shipping houses for Saturdays exports to Europe. The announcement was made that \$3,400,000 of the \$5,000,000 in gold expected to go had been reported by three firms. The initial trading was highly sensational, as declines were made all along the line, extending to 4 1-2 per cent. Like the London selling, the bulk of the sales represented liquidation.

"A momentary rally occurred around 10:15 of 1-2 to 1 1-2 per cent, but blocks of investment and speculative stocks were soon thrown over and the market took a fresh plunge downward. Gilt-edged investments went round at handsome bargains. Before midday breaks, extending to 15 1-2 in Lead preferred, had been made.

"A sinister feature was an advance in rates for call money to 75 per cent, reflecting the calling of loans. In the time specified three failures were reported—two on the New York stock exchange, and one on the consolidated exchange. Only one—that of S. S. Sands & Co.—was of financial importance. The others were Frothingham & Co. and De Neufville & Co.

"The railway and miscellaneous bond market was also demoralized, declines ranging up to 15 per cent. It was rumored that a single house had dumped \$400,000 of Reading bonds upon the market. Wisconsin Central trust receipts scored the extreme loss noted, and in the leading speculatives the recessions extended to 11 1-8 per cent, in Kansas & Texas seconds, to 47 1-2. Around 12:30 the selling pressure abated, and recoveries were made in the stock market from the lowest extending to 3 per cent. Bonds were relatively active.

"As the selling movement continued right up to the closing hour, with but slight and momentary reactions, the effect was demoralizing in the extreme. Money was loaned on call late in the afternoon at as high as 80 per cent, and most loans were marked up to 15 per cent by the banks.

"London, Dec. 20.—As an effect of the publication here of cablegrams quoting presidents of certain chambers of commerce in the United States as being opposed to war with Great Britain over the Venezuelan boundary question, there was a slightly better feeling on the stock exchange, later in the day, though the markets were still unsettled and almost an entire absence of business.

"Philadelphia, Dec. 20.—The stock market here today is very weak and feverish. Nearly all of the stocks traded in on the Philadelphia stock exchange opened below yesterday's closing prices.

"Prices on the Boston market followed the decline. Montana opened down 1 1-8 at 70, and then broke to 68. Butte opened at 14, 1-4 off from yesterday, while West End common was 1 1-4 to 67 3-4.

"Boston, Dec. 20.—Sawyer, Clarke & Co., brokers and bankers of this city, closed their doors at noon today. The concern is a minor one."

The News, commenting upon the panic in the same issue, had the following editorial:

"Yesterday's financial flurry in New York was sharp and unexpected. There had been no apparent reason for the beginning of a raid on all values save the danger that always exists that the money lenders will require payment of their loans unexpectedly when the holders of securities

will have to sell them for what they can get in order to make good their borrowings, or go down in the attempt to do so. This appears to have been the situation yesterday, though whether the demands for payment were on foreign or domestic account is not clear. No doubt there was a large share of foreign money being taken in by its owners, because similar liquidation occurred on the London market, as a result of the same causes. On this, as a basis, our statesmen are inclined to a belief that the British lenders are seeking to strike a blow at the United States through the money and stock market. It is not likely that any such campaign is being deliberately entered upon. The British are today large holders of American investments and securities. These all have a value of some kind. If, by making a money stringency, the British succeed in forcing down the prices of these securities, they are not going to be able, by that means, to force down their actual value, which is based upon their earning power and their prospects. If the foreigners sell their holdings in such properties at reduced prices some other foreigners will buy them, and the operation will bring no harm to the United States; or some Americans who have money to invest will buy them, and get good bargains. It is difficult to see wherein there can be practical harm wrought the country by such a proceeding.

"The British, after all, are largely interested in the maintenance of values in the United States. They have their money in our breweries, our pork-packing establishments, our industrial stocks, our railroads, our municipal and government bonds, our mortgages and what not. It is not going to far to say that two thousand millions of British money, in dollars, are invested in the United States. This cannot be withdrawn all at once, or much at a time, for that matter. If a panic feeling is created at all, it is the best safeguard against the wholesale liquidation of investments in American stocks, because the market for such property is almost immediately shut off. The shrinkage in the value of British investments in the United States in the event of such a campaign as our senators seem to fear would represent so tremendous a fine upon the people undertaking it that there is little reason to believe that they would go into it with any degree of satisfaction. Whatever its other weaknesses may be, capital is not sentimental.

"It is not unlikely that a fair share of yesterday's liquidation came on the domestic account of far-seeing people who believe that any great period of war excitement will drive the United States to silver payments. Such people would naturally prefer to have their capital in hand

than out at interest when the change occurs. It is not at all improbable that a conflict with Great Britain would bring about that very change in our financial system."

In view of the above it is established beyond question that England, through our gold unit and banking system, has such a grip upon our finances that we fall down and have fits every time the Bank of England wags its financial tail. The English monetary system has been grafted into the American tree. The fruit now borne is fattening to Englishmen, but death to Americans. Just one panic brought on by England would make anything or anybody but a lot of voting asses denounce the English gold system of robbery. But we have had over half a dozen panics caused by London financiers, yet we cling to their devilish gold standard, if standard it is, and reject our own time honored silver dollar of over 100 years' trial and service.

Criticising the bond bill, Mr. Crisp declared its purpose was to impound the greenbacks and do indirectly what the majority dare not do directly. It was a plan to retire all the greenbacks by holding them in the treasury at the base of outstanding interest bearing bonds, a plan which Mr. Carlisle had characterized as the "most remarkable experiment suggested in modern times."

As to the ability of the United States to sustain silver, the example of France, a country infinitely inferior in wealth and trade to us, must be borne in mind. Our commerce, internal and external, exceeded that of England, Germany and France combined, and our resources were as yet undeveloped. Our population exceeds either of those three countries. If our mints were opened to the free coinage of silver, the commercial value of the metal would be equal to its legal value in this country because anyone having 412 1-2 grains could bring it here and get a standard silver dollar's worth of commodities.

In conclusion Mr. Crisp declared that if the United States would but assert its political and financial independence prosperity would return and continue the perpetual heritage of our people.

No nation, not even England in 1819—during her

disastrous period of returning to specie payments, ever experienced or witnessed such a stupendous fraud and robbery of the people by any system of financial jugglery. In any other nation on earth such a bare-faced, open-handed crime against the producing classes would have created civil war. It will be seen at a glance that the reason for the outflow of gold to Europe was because of the enormous sale of American securities in our home markets that have been held abroad by foreigners, and from no other cause.

Our silver coinage instead of driving gold from our shores would have materially aided in retaining it at home had our government exercised its undoubted right under the Resumption Act of redeeming our paper, especially our silver certificates, in silver coin, instead of using gold—and gold alone. To such an extent has this ruinous policy been followed that we have, no doubt if some New York or English syndicate had presented a cartload of silver dollars at the treasury for redemption the secretary would at once have paid out gold for it, claiming this as the only way to retain the parity of the metals.

CHAPTER V.

EUROPEAN INVESTMENTS IN AMERICA.

It is universally conceded that European capitalists have invested in America a large sum of money, variously estimated at from \$2,000,000,000 to \$5,000,000,000. The Detroit Evening News and Tribune in January, 1896, placed it at the smaller figure, while many equally as good authorities, including the Bankers' Magazine and Mr. Gladstone himself, place it at the larger figure.

On February 28, 1893, in the British House of Commons, Mr. Gladstone said: "England is the great creditor of the countries of the world; of that there can be no doubt whatever; and it is increasingly the great creditor of the countries of the world. I suppose there is not a year which passes over our heads which does not largely add to the mass of British investments abroad."

The Brewers' Journal, in 1895, estimated the amount of English capital invested in American breweries alone at \$100,000,000, and the annual dividends paid on the same at not less than nine per cent, or \$9,000,000 annually. The dividends on all the European capital invested in America amounts to from one hundred and sixty-five to four hundred millions of dollars annually. The opinion almost universally prevails that these dividends are in the first instance paid in gold. Not so, however. All dividends are paid to foreigners the same as to Americans, in the legal tender or current money of the country. When sent across the water, drafts and bills of exchange are made use of. Bankers ship gold from one country to another to increase the balance against which this exchange is drawn. If one who proposes traveling in Europe goes into a New York banking house and buys a draft on London, when he gets to London

his draft will be cashed in Bank of England notes—not gold. The gold of the world is kept in the vaults of the world's bankers and used like government bonds, as a safe security against which to draw exchange. It is never universally used as money, because it never gets out among the people.



CHAPTER VI.

BALANCE OF TRADE.

It is now claimed that with a large protective tariff the balance of trade would turn so strongly in our favor that gold would soon return to our shores. This does not necessarily follow. Oftentimes where the balance of trade has been in our favor the gold shipments have been against us. This is true of all debtor nations. Balances of trade are more often settled in securities and international exchange than anything else. When it is once learned that gold is not, and never has been, the "money of the world" the question will be more easily understood. The large sums of money shipped abroad to pay interest on our securities, held in Europe, never enter into account in making up trade balances.

In a speech delivered in 1878, Senator Voorhees said: "Nearly all the product of our mines goes to foreign nations to pay interest on public securities held abroad."

It goes as bullion. Its value is estimated at a certain price per ounce, as the value of copper is estimated by the ounce or pound and potatoes by the bushel.

The London Economist, the great financial authority of London, of October 28, 1877, says: "The theory that gold follows the balance of trade is erroneous. There are other than trade debts which a country, like America, has to settle. She has to export either goods or specie as interest upon the money which she borrowed abroad. If the balance of trade should in the end be favorable to America it may be liquidated without the movement of bullion. Stock exchange securities have now become a kind of international money, and to a large and increasing extent these are supplementing gold or silver as a medium for settling inter-

national debts. These points are worth remembering now when the possibility of gold shipments to America in payment of our imports of grain is attracting so much attention."

Thus it will be seen when the balance of trade is in our favor instead of receiving gold for that balance we get coupons, stocks and receipts for dividends on European capital invested in our corporate enterprises.

According to the late Hon. Wm. D. Kelley, when Senator Boutwell was secretary of the treasury, "London, or rather England, on a commercial transaction made with a syndicate, owed us \$21,000,000. It was proposed to bring the money here in gold. The bank and the business men of England became alarmed at the possibility of drawing so large an amount of bullion from the country. The Bank of England interfered," says Boutwell, "and threatened destruction to American credit if a contract was not made to bring that paltry sum home in government bonds bought in London." Mr. Boutwell concluded his statement with the exclamation, "We had to submit."

The \$15,000,000 in gold awarded to us by the Geneva Tribunal for the Alabama claim was not paid us in gold but in our own bonds, purchased in the London market, and returned to us.

The war claim paid by France to Germany at the close of the Franco-Prussian war was paid by France in commercial paper and German securities held in Paris. We have the authority of all history for this. Yet there are those so foolish who think a balance of trade in our favor, with silver demonetized, will make this interest paying debtor nation of ours a recipient of considerable quantities of gold from our creditor-Europe, preposterous! The constant drain of interest alone will forever deplete our treasury of gold or rather prevent its return in any considerable quantities to our shores. It is possible to maintain resumption only with the silver constantly flowing from our mines, and enormously high tariff taxes. A policy the protected trusts and monopolies can ever be relied upon to advocate and support.

In a speech delivered in 1878 the writer said: "Should we resume specie payments tomorrow or in 1879, England can take our basis away. She can bring a financial crisis upon the country and spread devastation and ruin over the land." The experience of this panic demonstrates the wisdom and accuracy of our prophecy. We simply judged the future by the past. Like causes produce like effects. History repeats itself, and Bel-hazzar's warning is now written on the wall for Grover Cleveland to read and interpret.

The country is not and never can be free so long as the principle railroad, manufacturing and mining enterprises are owned abroad, because the relation between American enterprises and foreign capitalists is always the same as that between a mortgaged farmer and the money loaner. It is the relation of borrower and usurer. America being borrower, England usurer, with the advantage always on the side of the usurer. Any system of finance which would enable American enterprises to pay their debts and divorce themselves from foreign usurers (and all interest gatherers are usurers) would at once make America financially and commercially dictator of the world.

In a word, America is today England's poor mortgaged farmer.

The mark of approval that greeted Cleveland's Venezuela boundary message was only the growl of resentment to the British money power by the debt ridden people of America. Any war between the two countries will be fought with the desperation of a man struggling for his home on one side, and the heartless insincerity of the interest gatherer on the other. Over-weening avarice has destroyed all the ancient Empires of history, and Britain will prove no exception to the rule.

It is erroneously taught, and believed, that all our public and corporate indebtedness to Europe is payable, and must be, paid in gold, and unless so, war will follow. The debts of the United States are mostly payable in coin, which may mean either silver or gold. That of the States and cities are mostly payable in the current money of the

country, which may be paper or coin. The debts of the corporations are payable in current money or legal tender. No foreign creditor can force the payment of these debts until they become due, and in no other money than the legal tender of the United States, unless the contracts under which they were issued call for coin or gold. No debts to foreigners are ever paid in anything but current funds or legal tender. The American banker, however, who is acting as agent for the foreign investor will, if the rate of exchange is against the United States, present these current funds, which are generally greenbacks, silver certificates or bank bills, at the treasury for redemption. The secretary of the treasury under an unwise construction of the resumption law has always redeemed this paper in gold to the exclusion and unjust debasement of silver when silver could and should have been used as a redemption money.

When foreign investors purchase American securities or corporation stocks they put themselves in the same individual relation to the state or corporations issuing the stock or bonds as American investors do, and they take the same chances. They have the same remedies and satisfaction is obtained only through the American courts. England or any other foreign nation has nothing to do with the matter whatever, except in those cases where the nation indebted fails by fraud, confiscation, civil dissension or flagrant abuse to protect the legal rights of foreign investors. Then arbitration or war follows. But foreign merchants, commission houses, agencies and citizens of all kinds have the same redress, and are in like manner protected as American investors.

The cry that we must continue to make gold our final redemption money because of our foreign indebtedness is all rot. We could demonetize gold at once, as other nations have done before, and effect our relations to foreign investors in our securities and corporation stocks not in the least.

CHAPTER VII.

DEMONETIZED GOLD.

The creditor nations of the world always demonetize that unit of value which is the most abundant.

The Lansing Republican of March 16, 1895, says: "The ancient money of India was gold. It was supplemented by silver in 1818, but gold remained the standard until 1835, when silver was made the sole standard of value and legal tender money in British India, and GOLD WAS DEMONETIZED. Immense quantities of gold were imported into India after that date, but it was not legal tender, nor did gold coins circulate there until the act by which silver was demonetized passed in June, 1893."

Let it here be noted by the reader that after the demonetization of gold in India and remonetization of silver that gold flowed into India in immense quantities. Remonetization of silver and demonetization of gold would do more to cause immense quantities of gold bullion to flow into America than any other one thing.

The Chicago Times-Herald of June 14, 1895, says: "Notwithstanding that Russia does her domestic business on a silver currency, she has the fourth largest gold reserve in Europe." Showing that a large and increasing silver circulation helps to bring gold into a country rather than drive it away. Gold depends for its value upon law. This is the fact, by the Peel Act of 1844 the price of gold is fixed by English law. This act, passed July 19, 1844, compels the Bank of England to pay £3, 17s and 9d for every ounce of standard gold presented at its counter and is what keeps the price of gold staple all over the world at \$18.92, less carriage and insurance. This completely upsets the staple argument of the Depews, the Eckelses, the Cornwells and

others that mediums of exchange are regulated in price entirely by the needs of trade and commerce, otherwise known as supply and demand, by the provisions of its charter, the Bank of England is obliged to purchase all the gold bullion brought to it at \$18.92 an ounce.

This statement can be verified by reference to Chambers' Encyclopedia, Lippincott's edition of 1869, Vol. I, page 667, or the Encyclopedia Britannica, ninth American edition, 1883, Vol. XVI, page 485. On the same page they will find that the "case of silver is somewhat different, the bullion being purchased by the department at its market value." Now what becomes of the argument so glibly put forth by Carlisle, Cleveland & Co. about the price of gold being fixed by providence or by tacit agreement among nations?

Germany demonetized gold shortly after it was demonetized in British India (1857), Austria followed suit and the Latin Union was established, which was an international movement to make silver the currency of the world. The immense discoveries of gold in America and Australia had frightened the creditor classes of the world, and a general movement was made to change the debt paying currency to the then growing scarcer material—silver. This stimulated the production of silver. Its output from the mines was increased. The creditor classes again became frightened, and a general movement, headed by England, to demonetize silver and make gold the only debt paying money, was inaugurated with the present result of panic and demoralization of business all over Christendom.

Now (1896) the tide is again turning in favor of silver, its price is increasing, and already the prediction is being made that the stimulation given to gold mining the improvements in methods of mining the metal will, in fact already is, decreasing in purchasing power as its quantity increases and increasing the relative purchasing power of silver.

We would not be surprised to see, in fact expect to see, the men now loudest in their denunciation of silver change their tune in its favor, and as loudly denouncing gold. The creditor classes, led by the banks, always force a change of the unit of value from the plenteous to the scarcer

commodity. The history of gold and silver units of value has been a warfare over changing of ratios and demonetization of one or the other metals. The change of the unit by these methods has been almost always in the interest of the creditor classes, for the robbery of all debtors, or in the interest of Kings, who desired to rob their subjects. When the people of the world learn that a metallic money is analogous with all systems of banking—and both are robbers—the system will be destroyed, and the present cause of financial panics with it.

Let it always be remembered that to change the unit of value from one metal to another is only a scheme to rob one class of people in the interest of another. Such was the demonetization crime of 1873. Let it also be remembered that all schemes of banking are schemes for getting double, thrifble and quadruple interest. Schemes for getting interest on what bankers owe the people. That the power of issuing and loaning money in the hands of banks is giving to private corporations the power to contract and expand the currency among the people at their own sweet will by withdrawing their loans and refusing further discounts. That this power in the hands of banks has caused all the panics in history and caused almost all wars between the precious metals concerning a change of the unit of value. Let it be remembered that this power, always exercised by banks, places not only all business enterprises, but the nations of the world themselves, at the mercy of such unscrupulous men as the Morgans, Rothschilds and Belmonts. They can force nations into war or to conclude peace. They are more powerful than Napoleon, or Alexander, Cæsar or Charlenagne, Victoria or Grover Cleveland.

For the purpose of replenishing their exhausted exchequers European nations, upon the demonetization of silver, have entered into a scrable for gold coin. A general European war is at any time imminent. European bankers have been drained by their governments. Those bankers turn to America to replenish their exhausted supply. Holding our stocks, bonds and mortgages, which find a ready sale in her home markets, they compel us to give up our

gold as all creditors force their debtors to part with their property.

In discussing the scramble for gold among the European nations, Watson & Gibson present compilations from *L'Economiste Europeen* of the gold holdings of twenty-two large and small banks abroad, as well as the private banks of emission of Sweeden and Switzerland, on December 31 of the following years: 1890, \$970,900,000; 1891, \$1,112,400,000; 1892, \$1,232,000,000; 1893, \$1,217,000,000; 1894, \$1,400,000,000; 1895, \$1,532,000,000. In five years these European banks have increased their holdings of gold \$561,000,000. In this country on December 31, 1890, the United States treasury held net gold amounting to \$148,972,000, and the New York city banks held \$77,812,000 specie, a total of \$226,784,000. On December 31, 1895, the treasury held \$63,262,000 net gold, and on December 27 the New York banks held \$67,114,000 specie, a total of \$130,376,000, or a loss in five years of \$69,408,000.

According to the above figures those twenty-two European banks, the United States treasury and the New York banks hold more than two-fifths of all the gold coin known to exist. The probability is that they hold a great deal more than that proportion, because of the aggregate of more than four thousand millions, there are many hundreds of millions that cannot be located at all.

Aside from the known deposits in the banks, the figures are loose estimates. For example, by the last mint report the amount in the United States is placed at six hundred and thirty-five millions of dollars, but no authority has attempted to show the location of even four hundred millions of it. No doubt considerable sums are hoarded away, but money hoarded does no good in business. It might as well exist.

The great bulk of the available gold is either held or absolutely controlled by the great banks of the world. No wonder they want the gold standard.

CHAPTER VIII.

BANK CONTRACTION.

The sale of American securities by foreigners in Wall street was too tempting a bait for the big bankers to withstand. They bought largely of these stocks and bonds. To get the cash to buy with, the metropolitan bankers called in their loans from the country banks and refused to honor the drafts of the country banks unless backed up by currency deposits. The country banks called in loans from their customers; customers had to resort to their friends; private loans were made and the funds were withdrawn by depositors from banks to make them. The more urgently banks called for their loans the more people borrowed from their friends to pay, and the more money was drawn from banks by depositors to make private loans at advantageous rates of interest. The movement gathered impetus. As the east called in their money from the west a wild scramble for currency commenced. Runs were made upon the banks; suspension and failure followed; goods were placed upon the market at ruinous sacrifices and the flood-gates once opened drowned even the banks who had encouraged and aided the eastern capitalists in their scheme of blood letting. In short, the metropolitan banks bought American securities from foreigners at a discount and called in their loans to do it. The country banks squeezed their customers to pay the city banks. Their customers placed their goods on the market at a discount to realize funds to pay debts. The tide of currency set towards New York, thence to England. The government did not, and would not, come to the relief of the people by making loans of greenbacks and silver direct from the treasury to farmers, manufacturers,

miners and merchants, as she has often done to the bankers; notably in March, 1881, when she paid out in currency to the bankers \$2,000,000 in one day, which saved the country from witnessing then what she did a decade later. The result of this universal calling in of loans was contraction, panic.

In such emergencies there can be only one relief. The government could, and, by law, should be made to loan money direct to the people on A No. 1 security to supply the place of the stringency while the life blood of commerce, viz., currency, was going out of this country to Europe in exchange for American securities.

Under the whip and lash of Grover Cleveland and Wall street, Congress was repealing the Sherman act and striking \$4,000,000 in silver each month from our coinage, the country banks from Maine to California, and from the great lakes to the gulf, were driven into the direst straits for currency. Clearing house certificates were issued in lieu of currency. Various cities issued bonds of small denominations to be used as currency, and one or two states (Mississippi being one) issued state bills or bonds which were made receivable for taxes within their borders and were used as currency until afterwards discontinued by order of the general government. As soon as these bills were issued Secretary Carlisle commenced suit against the Western Bank Note Company, of Chicago, for engraving the plates for the bonds or bills, which were said to be in similitude of United States notes. The bills were issued in 1894 by order of the Mississippi legislature and the suit against the note company was discontinued in April, 1895, upon the recommendation of Gen. John C. Black. Currency was so scarce to do business that the Detroit Clearing House Association was formed and the following certificate used as money.

No. _____

LOAN COMMITTEE OF THE

Detroit Clearing House Association.

Detroit, Mich. _____

*This certifies that _____
has deposited with the committee securities in
accordance with the proceedings of a meeting of
the association held _____ upon which
this certificate is issued. This certificate will be
received in lieu of balances at the Clearing House
for the sum of five thousand dollars from any
member of the Clearing House Association.*

*On surrender of this certificate by the de-
positing bank above named. The committee will
endorse the amount as payment on the obligation
of said bank held by them and surrender up a
proportionate part of the collateral securities
held therefor.*

Committee.

FIVE THOUSAND DOLLARS.

Republicans and Democrats stood hand in hand and voted together to repeal the Sherman silver law. John Sherman has since taunted the democracy with coming over to his Wall street position on the silver question.

In a recent interview John Sherman, discussing the part he played in the demonetization of silver, said: "It was quite an undertaking when I agreed to shape legislation on this line in 1873. I can forgive the Democrats now for what they were pleased to call my great crime. I have lived to see their leaders swallow their words, and to-day

there is not a stronger or more outspoken defender of my course than you will find in President Cleveland's state papers, and the speeches of his cabinet officers. It is hardly necessary for me to say a word. Of course it is gratifying to me."

How proud Democrats should be of the record which some of their leaders have made upon this, the most important question ever before the people of any country! How delighted they should be to know that upon the great question of silver coinage Cleveland, Carlisle and Sherman are touching elbows so affectionately!

A hangman's gallows was too good for the men who struck silver from our currency when every city in the land was issuing clearing house certificates and drafts stamped upon their face in red letters "payable at the clearing house only," because of the dearth of currency. Even here in Lansing, Michigan, clearing house drafts were issued and resolutions were pending before the council to issue \$12 bonds to circulate as money.

The statesmen, editors and political economists of the world unite in denouncing contraction as robbery, yet demonetization is contraction. The withdrawal of loans by banks is contraction. The unit of value has been changed to gold by demonetization and contraction. The gold monometallists of the world are thus advocates of robbery and plunder. They are the enemies of industry and virtue. They advocate a financial system that is unjust, unmasonic and unchristian. Demonetization, withdrawal of loans and consequent contraction of the currency had been carried to such an extent that banks even refused to cash each other's checks and drafts, while over 200 failed, being unable to meet the demands of depositors. Meanwhile the New York banks and those of other large centers of trade and commerce were drawing in their loans to the country banks and refusing to discount the best mercantile paper even when backed up by gilt-edge collateral. It was no longer a question of good security, as poor money could not be had on any security. Money disappeared from sight as it does

in all panics in those countries where banks control loans and discounts. In no nation and at no time has money ever disappeared from sight during either war or panic where the people were supplied with government issues. This was true in the Republic of Venice, in England during the Napoleonic wars, and in our own country from 1862 to 1873. The following was published through the press of the country in June, 1895:

“One of a thousand instances showing that the power to control the loans and discounts of our country in the hands of banks is dangerous.

“From Holland’s Letter in the Philadelphia Press:

“As the season of stress and storm which began in ’93 is passing away, the financiers who were in peril at that time are beginning to exchange confidences, and these anecdotes show how great the peril was, and how often it happened that great business and financial houses stood on the verge of a precipice leaning over, and were only saved by mutual forbearance, kindness and the stretching of business customs to meet the unusual emergency.

“I heard one of these anecdotes a day or two ago. Right in the midst of the panic of ’93 a financier and a great power of the world of trade, whose name is known all over this country and Europe, went to a friend and said: ‘I am so near ruin as this, that while I have millions in securities, I have scarcely a thousand dollars in cash, and must have \$25,000 to-day, or I am done for.’

“He had thrown himself languidly into a chair, as though almost ready to give up the battle. He knew well enough what the announcement of his failure meant for the commercial world. It probably would have pulled down a score or more of important institutions, and very likely would have precipitated general disaster. He had been everywhere with securities in his pocket valued at hundreds of thousands of dollars, pronounced good then, but he was told in every place: ‘Your securities are good, but we cannot lend money now.’ His position was like that of the castaway upon the ocean with ‘water, water everywhere, nor any drop to drink.’ His securities at their normal value were probably worth as much as \$10,000,000, perhaps more, but it was impossible for him to borrow \$10 upon them.

“The friend to whom he went knew as well as he what his failure involved; knew that he was worth at least ten millions in securities, although he could not command the

\$25,000 which stood between him and the protesting of his paper.

"The friend said, 'Well, I'll try to help you. What collateral have you got?' He took from his pocket securities which before the panic would have commanded easily \$50,000, and said, 'I can offer these.'

"'They are good,' said the friend, 'nothing better. Let me see what I can do.'

"He went to a financial institution of which he had long been a customer, and he said to the officers: 'I want to borrow \$25,000. I will guarantee the paper, provided I have recourse to the collateral in case it is not paid.'

"'But,' said the bank officers, 'we can't lend that. The collateral is good enough, but we can't even lend on government bonds. Nobody is lending; everybody is trying to borrow.'

"'Well,' said the friend, 'then I will submit a proposition to you. If you will lend me the money on this collateral it will earn 6 per cent for you. If you will not lend it, then I will draw my own check upon this concern for \$25,000, and I will keep the collateral myself.'

"'Now it is for you to say whether for the \$25,000 that you've got to part with you will take security and 6 per cent interest or whether you will pay it out and get nothing for it, as you must do if I check it out.'

"Of course the officers, confronted with such an alternative, could only decide to loan the money, and it was the biggest loan that was made that day or perhaps for several days before or afterward—at least, the biggest new loan.

"The friend went back to the capitalist and said: 'The \$25,000 is at your command.' When the capitalist heard this he became a new man. All the energy characteristic of him returned. Said he: 'This will carry me over the obligations mature it will be possible to borrow money on such securities as I possess,' and that proved to be the case.

"The capitalist is now one of the conspicuous influences inducing a return to prosperity. He is esteemed to be worth not far from twenty millions, and he can borrow many of them pallid with fear of ruin, others hilarious in upon his securities millions of money with perfect ease. He does not like to think of the day in '93 when \$25,000 stood between him and ruin."

In this case the bank only loaned \$25,000 because a depositor threatened to withdraw his deposit and loan to his friend if the bank did not. Runs upon banks are al-

most always started in this manner. In times of panic depositors withdraw their money to loan friends who have been called upon by banks to cash up. Banks are as dependent upon their depositors as borrowers are upon the banks, because 96 per cent of all money deposited in banks is loaned out, and the business of depositors is done by checks and drafts—a species of bank credit even worse than bank bills or notes. Whoever borrows bank bills of a National Bank simply exchanges promissory notes with the National Bank. The bank loans its notes or promises to pay to the producer for his note or promise to pay. The producer always pays an interest on his note while the banker always gets an interest on his note. This is a monopoly enjoyed only by the bankers' syndicate.

Every money loaner, private and corporate, took fright at the action of the New York banks and in every case called in their loans as fast as the paper became due, at the same time universally refusing renewals or further discounts on any security or collateral. Under such monetary conditions bankruptcy was the inevitable result. The oldest, staunchest and best known business houses went under. The wheels of industry were stopped. Laborers by the thousand were turned out of employment. Consumption of all things, save the barest necessities of life, ceased, and goods of the merchants were left to rot and become shopworn on the shelves unsold and unsaleable, for there was neither money or credit left in the hands of the people who are the bread winners and builders of a nation's greatness.

While financiers were fighting like mad for the currency, the nation should furnish bounteously on good security. Sharks were fleecing the people. The following appeared in the Detroit Journal Friday, July 7, 1893:

“New York, July 7.—Russell Sage, according to a Wall street authority, turned the stringency in the money market last week into very profitable account. A Wall street man, who keeps pretty well informed of Mr. Sage's transactions in loans, expressed it as his opinion that for a number of days the old gentleman's receipts from interest on his

money was not less than \$20,000 a day, or nearly \$1,000,000 a year. How much money Mr. Sage was able to command at so interesting a time for helping the stock brokers can be argued from the fact that on every day of the year, the whole year round, Mr. Sage has about \$5,000,000 which he can reach and control within twenty-four hours. Even in 1884, when the great crash came and Mr. Sage closed the doors of his office to protect himself from the army of creditors who held his privileges, it is stated authoritatively that Mr. Sage had over \$3,000,000 on deposit with two of the leading banks in the city. He only needed \$1,000,000 to pay off everybody, but his impulse was to close up his office and leave New York for some secluded spot where no creditors could possibly reach him.

"Mr. Sage got the highest rates for nearly the whole volume of money, because nearly all the loans that Mr. Sage makes are call loans—that is to say, from day to day—and this money can be called on a few hours' notice, and the borrowers must either repay the money or renew the loan at current rates. It is not probable, of course, that Mr. Sage loaned all his money at 3-16 and interest, but it is quite possible that he got at the rate of 50 per cent a year for all the money he loaned out during the ten days previous to last Saturday, and if these loans are calculated on a basis of \$15,000,000 it will be seen that this amounts to the daily receipt of \$20,000."

Had the sub treasury plan of the Farmers' Alliance been in working order does any one suppose it would not have been utilized in this panic, and such inhuman interest robbery prevented? Is such stealing by wholesale possible under any system of finance except the American and its English mother? Is such a system honest? Yet it is the system of the gold advocates, misnamed honest money men. The banking system of this country in this panic proved a financial hydraulic press of huge proportions and monstrous power. The nation had placed itself within it. The time had come to squeeze. Every drop of blood was taken from the victim. The money loaners who operate the press, simply sponge like, absorbed the currency life blood of the whole country.

While banks were calling in their loans all over the land without any just or reasonable cause, unless on account of their cupidity and insane desire to destroy the

usefulness of the silver dollar against which this fight was made, what was the real duty of the government in the premises, to aid and abet the banks and money oligarchy in its damnable plot as it did do or to come to the relief of the people? There can be but one answer. Had the government given us unlimited coinage of silver and redeemed our paper in the same it would have relieved the money market and prevent a stringency in the currency. England and all Europe in fact might have sold every American security they held in New York at a discount or at a premium even, and no gold would have left our shores, our debts to foreigners would have been paid and our American stocks and bonds would now be held at home by Americans. There was no power on earth that could prevent our coinage of silver or that could force us under the resumption act to redeem our paper in anything but coin, which is either silver or gold, at the option of the government. The government could—under that clause of the Constitution giving her the right to issue or coin money and regulate the value thereof—have done more than this. She could have coined silver or issued paper and loaned it to the people direct through her sub treasuries and postoffices at a nominal rate of interest or discount and taken the gilt-edged securities and mortgages on farms and homes which bankers and usurers refused and by one masterstroke have ended the panic in six days. The people to-day would be mortgaged to their government instead of to private corporations and usurers and at a nominal rate of from 6 to 10 per cent. In other words the people individually would be mortgaged to the people collectively, for the people collectively are the government. The cry of honest or dishonest money is as false as it is wicked. The most dishonest money under heaven is that which increases in purchasing power, thereby adding to the burdens of the debtor classes, who are the least able to bear them. The advocates of gold simply want 200 cents for those obligations that cost only 100 cents. There is no such a thing as a standard or measure of values, for value is an ideal

thing. It is an estimation, a thought, the result of a desire. Money is not value any more than a clock is time. Clocks are indicators; so is money. Again, money may be called a system of bookkeeping without books. When a banker gives you a draft or you give your check to another it is simply a transfer of credit, but with the check and draft a transfer on the banker's ledger is necessary; but when you give a five-dollar bill to another you simply transfer your credit from one member of society to another without the aid of books or the ledger. Money, whether gold, silver or paper, when issued by government—which is nothing but a constitutional society held together by universal consent—is an order on each member composing that society for whatever he has to sell. It is valuable on account of its use so long as that society exists as a government. Its use depends upon the amount in circulation and the volume of business to be transacted to which it relates. Its redemption takes place when it passes from one person to another, and its final or ultimate redemption is when it is received by that government or society as a whole for taxes, revenues or other dues owing to it by its individual members. When the relation between the amount of money in circulation and volume of business to be transacted is once established it should not be disturbed and cannot be without working endless injury. But if disturbed at all it is always better to increase rather than decrease the amount of circulation. The old theory of bleeding the patient is as dangerous in finance as in physics. That bankers and money changers forced through congress the act demonetizing silver, or rather eliminating it from coinage, in 1873, and also the act repealing the Sherman law in 1893, is unquestioned, but for what purpose it may be asked.

CHAPTER IX.

BLACK FRIDAY.

We answer on "Black Friday," in September, 1869, a combination or syndicate cornered all the gold in America and raised its price about 32 per cent in less than four hours. There have been several Black Fridays in history, but the day noticed above is what is generally referred to as Black Friday in this country, but the term was first used in England, being applied in the first instance to the Friday on which the news reached London that the young Pretender, Charles Edward, had arrived at Derby, creating a terrible panic; and finally to May 11, 1866, when the failure of Overend, Guernsey & Co., London, the day before, was followed by a widespread financial ruin.

September 24, 1869, Jay Gould and James Fisk, Jr., attempted to create a corner in the gold market by buying all the gold in the banks of New York City, amounting to \$15,000,000. For several days the value of gold rose steadily, and the speculators aimed to carry it from 144 to 200. Friday the whole city was in a ferment, the banks were rapidly selling, gold was at 162½ and still rising. Men became insane and everywhere the wildest excitement raged, for it seemed probable that the business houses must be closed, from ignorance of the prices to be charged for their goods. But in the midst of the panic it was reported that Secretary Boutwell, of the United States treasury, had thrown \$4,000,000 on the market, and at once gold fell, the excitement ceased, leaving Gould and Fisk winners of \$11,000,000.

The following extract taken from "Scribner's" was published in the Kalamazoo Telegraph April 24th, 1895, and

forever stamps as a lie the statement that gold never fluctuates or that it is anything else but a commodity, the same as copper or pig iron, and subject to the same law of supply and demand:

On Black Friday, September 24, 1869, the goldroom is crowded two hours before the time of business. In the center excited brokers are betting, swearing and quarreling, expectation of big commissions. In a back office across from the goldroom, Fisk, in shirt sleeves, struts up and down, declaring himself the Napoleon of the street. At this time the ring was believed to hold in gold and in contracts to deliver the same over \$100,000,000.

Speyers, whom all suppose to represent Gould as well as Fisk, begins by offering 145, then 146, 147, 148, 149, but none will sell. "Put it up to 150," Fisk orders, and gold rises to that figure. At 150 a half million is sold him by Mr. James Brown, who has quietly organized a band of merchants to meet the gamblers on their own ground. From all over the country the "shorts" are telegraphing orders to buy. Speyers is informed that if he continues to put up gold he will be shot, but he goes on offering 151, 152, 153, 154. Still none will sell. Meantime the victims of the corner are summoned to pay in cash the difference between 135, at which the gold was borrowed, and 150, at which the firm is willing to settle. Fearing lest gold go to 200, many settle at 148. At 155, amid the tremendous roar of the bull brokers, bidding higher and higher, Brown again sells half a million. "One hundred and sixty for any part of \$5,000,000." Brown sells \$1,000,000 more. "One hundred and sixty-one for \$5,000,000." No bid. "One hundred and sixty-two for \$5,000,000." At first no response. Again, "162 for any part of \$5,000,000." A voice is heard, "Sold \$1,000,000 at 162." "One hundred and sixty-three and a half for \$5,000,000." "Sold \$5,000,000 at 163½." Crash! The market has been broken, and by Gould's sales.—Seribner's.

What can men who term gold "honest money" say when confronted with this? What must be the effect of

such a standard, of value if standard it is, upon the business of a nation? Who wonders at or doubts the wisdom of the Spartan Greeks in making iron money and discarding such a metal as unfit and unsafe? How much better, safer and more economical is our own legal tender greenback.

CHAPTER X.

GOLD CORNERS AND PANIC OF 1882.

The success of these men, Fisk and Gould, in this enterprise taught the financiers of the world that it was possible for a few men to combine and hoard or corner the gold products in any one nation on earth. In fact, so long as gold and gold alone is the final redemption money a few men of vast wealth in the banking business like Pierpont Morgan, Perry Belmont or the Rothschilds can dictate terms to kings, princes, potentates and republicans alike. They can force war or peace, they can control Congress or Parliaments. They can bring prosperity or ruin. They can force governments to issue bonds in which to invest their vast wealth, and holding the bonded indebtedness of a country they have a mortgage upon its taxes and revenues and can levy tribute at pleasure. In fact, the bankers and financiers who own the bonds of a nation own the people as absolutely as a southern planter ever owned his chattel slaves, without any of the responsibility. So long as silver was on a par with gold as a redemption money, and so long as the United States under the Sherman act was compelled to coin \$4,500,000 per month of the white metal, it was not only impossible for money changers to corner our final redemption money, but the government was constantly redeeming and cancelling her bonded indebtedness, and the prospect of the final payment of all her bonds was dangerously near for the bankers, especially the national bankers, whose institutions were based on bonds the payment of which could have only one result, viz., the destruction and final extinguishment of the entire national banking system."

Now that silver is demonetized the debtor nations of

the world find it impossible to pay their debts in gold. International complications of every nature are occurring, and a general effort is being made for the reinstatement of silver in all the nations except England and possibly Germany. The Kalamazoo News says:

"The 'silver craze' is spreading like wild fire in Europe. Austria-Hungary, alarmed at the shriveling in values of everything except gold, debts, fixed incomes and taxes, is the latest to declare in favor of an international conference looking to the rehabilitation of silver."

The debt-paying power of the world was reduced over one-half by demonetization. The American Bank Syndicate understood this. The conspiracy against silver was its fight in America for life. This was its fight for a perpetual bonded debt as a basis for bank issues. A conspiracy like this on the part of any labor union would have been called a "strike," and called forth the Pinkerton thugs, constabulary, militia, regular army, Grover's protest and an injunction from every court in the land. The bank "union" had "struck" against a "lock-out" of their system by the payment of the government debt in "coin"—silver. The bank "union" went on "strike" to prevent silver "scabbing" on bank bills. This caused the panic of 1893. No labor riots on earth cost the country half so much. The destruction of the great national banking system meant the loss to bankers of the use of over \$300,000,000 of currency, which costs them the trifle of only 1 per cent and which they loan at from 6 to 8 per cent. It meant that they could no longer be used as governmental disbursing agents or depositories of \$50,000,000 in government funds. In fact, the payment of the bonded debt meant the overthrow of the greatest money monopoly this or any other nation on earth ever saw, the Bank of England, after which it was patterned, not even excepted. It is sometimes contended this system is not a monopoly. The tenacity, however, with which its members cling to it, the fight they have made for thirty years against the greenback circulation and the herculean efforts to destroy silver during the past twenty-five years, the money they have expended to secure elections in their

interest, also judges of courts, secretaries of state and treasurers friendly to them gives the lie to the contention. Chauncey M. Depew thinks it a monopoly. In one of his after dinner ebullitions he said: "Fifty men in these United States have it in their power, by reason of the wealth which they control, to come together within twenty-four hours and arrive at an understanding by which every wheel of trade and commerce may be stopped from revolving, every avenue of trade blocked and every electric key struck dumb. Those fifty men can paralyze the whole country, for they can control the circulation of the currency and create panic whenever they will." Every business man, every producer of wealth who has been into the bank where he does business and been called aside by the cashier and quietly told that he must not expect a renewal of his note when it falls due, no matter what the security; every man who has been refused discount on prime commercial paper; every man who has been refused a loan and told by his banker that currency is getting very scarce, understands the force of Mr. Depew's remarks and understands only too well how banks contract the currency at will. They only draw in their loans and refuse further discounts, that is all. The panics of 1837, 1857, 1873, 1881 and 1893 are monuments to the truth of Mr. Depew's assertion. The New York Tribune in 1878 said: "The time is near when the banks will feel compelled to act strongly. Meanwhile a very good thing has been done. The machinery is now furnished by which in any emergency the financial corporations of the east can act together at a single day's notice with such power that no act of congress can overcome or resist their decisions." Does not this sound as if the banking corporations of the east are not only a monopoly but a revolutionary body inside the government more powerful than the government itself. This banking association displayed such power in March, 1881, as to almost defeat the passage of Sherman's 3 per cent funding bill through Congress. In fact, it did emasculate it and destroy its most essential features. 1880 and 1881 were im-

portant years in our financial history. The famous funding schemes of John Sherman were before Congress. The 4 per cent funding bill passed in 1880. In 1881 a bill was before Congress to issue \$400,000,000 3 per cent bonds, redeemable at the pleasure of the government after five years, and also for the issue of \$300,000,000 treasury notes bearing 3 per cent interest, redeemable at the option of the government. It is needless to say the banks prevented this. The time had come when the banks felt "compelled to act strongly." The financial corporations of the east acted together with such power as to defeat this measure as introduced. On another "Black Friday" in March, 1881, a panic in Wall street occurred. Eight million dollars in loans were called in at once. Banks all over the country surrendered their circulation. It is estimated, in fact, that over \$30,000,000 in bank circulation was surrendered at this time. The banks then, as now, bitterly opposed not only the payment of the government debt, but even the refunding it at a lower rate of interest. The writer of this was running a paper in Maine at the time, and published the following editorial in his journal:

"The extraordinary action of the banks in attempting to bulldoze Congress into defeating the funding bill because the rate of interest fixed therein is too low to suit their views has alarmed the country and awakened it to the danger of placing the power in the hands of any association of private individuals to retire one-half of the circulating medium of the country at their pleasure or whenever they are dissatisfied with legislation or any action of the Treasury Department. What the effect will be on Congress of this display of power by the banks to wreck business and spread commercial ruin broadcast over the country cannot now be told, but it should be to urge it to pass the bill at once. The very fact that the banks oppose the loan at the rate proposed—3 per cent—is almost a sure guarantee that it will be successful, for if they did not believe it would be they certainly would not go to the extent of bringing on a financial panic to prevent the passage of the bill authorizing it. The question for Congress to decide now is whether it will legislate in the interest of the banks and moneyed monopolists or in the interests of the people and allow them to fund their debt at the lowest rate of in-

terest, thus saving millions of dollars to themselves. The plain duty of Congress is to pass the bill immediately, and the reports from Washington generally agree that this will be done.

"Nearly all the New York papers had able editorials on the action of the banks in inaugurating a panic in the money market, and most of them are very severe in tone. The Herald utters these words of warning:

"The National Banks are trying a dangerous experiment. It is not wise for them to show what a despotic and ruinous power they are capable of exerting on the business of the country. They cannot be unaware of the widespread hostility to them which has long existed in large sections of the country and which has recently been relaxed only by the success of Secretary Sherman's policy. The dying embers may be fanned into a flame if they evince a disposition to take care of themselves at the expense of the country. The old United States bank was overthrown and destroyed from the moment that it put on the screws and distressed the public in the vain hope of controlling the action of Congress. The country will no more tolerate now than it did in President Jackson's time a money power which assumes to defeat or dictate legislation. Let the banks take warning! The fact that they can suddenly do so much mischief tends to convince the country that they are dangerous, and if they undertake to frustrate the deliberate will of Congress, they must share the fate of 'the monster' who fell under the sturdy blows of old Gen. Jackson.

"The World comments upon the subject in the following strain:

"But the banks have not even kept within reasonable limits in their demand for compensation for such financial services as they have been able to render the country. The banks have found a ready and effective defense in the popular vote and in official action whenever any real infringement of their rights has been threatened by those who have always regarded their very existence as obnoxious. Yet a few of these banks have not hesitated to invite the destruction of the whole system and to provoke the popular anger by pursuing a course which must inevitably force upon American citizens the question whether the legislative and executive officers are to administer the financial destinies of this country. The financial policy of the debt-paying people of the United States has been proclaimed with an unanimity seldom witnessed, and yet a small knot of bank officers, without even consulting the wishes of their

stockholders, have undertaken to notify the government and the people of the United States that they, the bank officers, and neither the government nor yet the people, shall dictate the financial policy of this nation of fifty millions of souls.

"The Times says:

"It cannot be doubted that the banks have acted in a very hasty spirit and have themselves shared the feeling that results in the symptoms of a panic yesterday. They have apparently forgotten that they were, in a sense, government banks, that they held franchises of an exceptional character from Congress, and that these were linked with certain well-defined obligations. Even from the standpoint of their own interest it must be said that they were unnecessarily defiant of public opinion, which has, and must have, a very considerable influence upon their fortunes."

"The feeling against the banks gave currency to the rumor yesterday afternoon that some of the principal private bankers and capitalists were circulating for signatures a petition to Congress, asking for the repeal of the National Bank-act. Whatever may be the reason for their conduct, the banks have certainly succeeded in causing considerable alarm and some real mischief. Their reserve in this city last Saturday was less than \$4,000,000, and having withdrawn that amount, every dollar more taken from their stock of gold and greenbacks requires the withdrawal of a dollar from the loan market. Consequently about \$8,000,000 of loans must already have been called in, and more will be called in if the process goes on of depositing lawful money for the withdrawal of bonds. The stock market has already declined largely under this contraction, and all branches of trade will soon feel it in the same way. Lower prices means, of course, loss to producers and holders, and as long as people fear that they will go still lower they cause a paralysis of general business.—N. Y. Sun.

The Philadelphia Times expresses this opinion:

The present 3 per cent loan will hardly have been in the market a week when the very last bond will have been sold, even were the banks unwise enough to refuse to take them. Nor is it an unwarrantable assumption to assert that the Gould organs and their long line of disingenuous parodists are the more heated because of this knowledge. They denounced the 4 per cent issue with the same vituperative turgidity when Congress emitted that marvelously successful loan.

Other papers followed New York journals ad infinitum.

There was another panic in Wall street yesterday caused by the withdrawal then and previously of a large amount of money from the market to contract the circulation of National Banks. The decline in stocks was extraordinary, but the rate of interest on money was still more so. When men are forced to pay at the rate of more than 400 per cent per annum as interest on borrowed money, ruin is apt to result if the loans are not discontinued. This whole affair is highly instructive to those who wish to learn. Enough has happened in the past few weeks to furnish the critics of our very bad financial system with texts for a volume of sermons. The purpose of Congress is professedly to deal a blow at the great moneyed institutions, but it only succeeds in showing to those institutions that they possess greater power than even they have ever suspected. Stability of the bank currency was the avowed object of the author of the famous fifth section, but before the bill has become a law the mere threat of such legislation has caused the contraction of probably one-tenth of the whole bank circulation of the country. The catalogue of evils and inconsistencies is not half exhausted, but this will do for to-day.—Boston Advertiser.

The Tribune charges that this effort to fund the debt at a low rate is "Democratic stupidity," "Democratic idocy," etc., but the fantastic ravings of Jay Gould and his organs amount to nothing. The idea that Congress shall not fulfil its duty to the people because Mr. Gould's interest can best be conserved by a different line of action, or because a few greedy monopolists want more interest than the government can afford to pay, is too absurd for a moment's consideration. Gould and his stock jobbing associates have no claims in this direction which Congress or the people are bound to respect.—Argus, Portland, Me.

The Chicago Times, that hitherto most faithful of all western journals in its devotion to the banking institutions, said: "The National Banks have succeeded in creating such hostility to themselves already that cool-headed public men think it not unlikely that a movement in the direction of their abolition would be by no means unpopular."

Whoever has watched the press of the country during the last thirty years needs no other evidence that the national banking system is a monstrous monopoly, controlling not only the loans and discounts of the people, but also a sufficient volume of the circulating medium to contract or expand the currency at will. The history of the banks is the history of hostility to every government measure concerning the currency or bonded indebtedness that was in any way beneficial to the people. During the fight against

the 3 per cent funding bill many banks not only surrendered their circulation, but even took out State Bank charters, and some of them continue as State institutions to-day, preferring to exist under slipshod, loose State laws to the more stringent and exacting supervision of the national system.

Afterward, February 19, 1884, referring to this panic, Senator Vest, of Missouri, said: "I recollect that in 1881, when we offered the National Banks a 3 per cent thirty-year bond, they took the government by the throat, retired \$18,000,000 of currency in one day in the city of New York and crushed down the industries and interests of the country. The national banks to-day, instead of asking for a perpetual debt, are tiding over the obstructions which are placed in their way by the bonds of the country becoming due until twenty-three years from now, as indicated by the Senator from Ohio (Mr. Sherman). Our children will take charge of them, and see that they exist henceforth and forever." The fight has been kept up. It is the same to-day. A perpetual bonded debt is what the attack on silver and greenbacks is now made for. Shall we allow it? Will our children allow it? When the debt is paid the banks will have no excuse for existing. The press, the pulpit, the educated Christian voters must decide. The bond system is the basis of the banking system. It is the credit system, the usury system, the system of the classes against the masses, the system of millionaires and paupers, the system of caste and monarchy. It is opposed to Christianity, opposed to justice, opposed to brotherly love. It is opposed to the brotherhood of man. It is opposed to co-operation. It is competition, misery, hell for the masses, weakness and efficacy for the classes. Silver is ruthlessly struck from our coinage. The greenbacks are attacked by the banks' contraction with all its dire calamities is upon us. It is demanded that the few remaining greenbacks, \$346,000,000, be burned and interest bearing bonds be supplied in their place; all to give the banks a basis. We have resumption, indeed. It is a resumption or redemption of all our different kinds of currency except gold and bank bills, in long time bonds. Think of it. The proposition is to place a perpetual mortgage upon a free people to perpetuate a bank monopoly with sole power to regulate the nation's finances and dictate the volume of business that shall be done by the people under the heaviest and most burdensome toll paid to the banks. The prayers of the starving and homeless people beseech the gods to avert the catastrophe.

CHAPTER XI.

BANKS AND THE REPUBLICAN PARTY.

At this time, 1881, the national and other banks of **Maine** petitioned the Republican State Legislature for a law authorizing them to take out State Bank charters for the purpose of issuing State Bank bills. In fact, the whole National Bank system seriously contemplated returning to the State Bank system of issuing State bills. Just the same course of procedure was proposed as was followed by the Old United States Bank, which took out a State charter in Pennsylvania after its overthrow by the veto of Andrew Jackson. In several of the southern States the Democracy advocated the State Bank plan. But the Republican State of Blaine and Reed—Maine—as early as 1881 passed a bill through its Legislature giving the banks of that State a right to take out State charters and issue State bills, “spook currency” in bales as before the war, with no basis, in the language of Senator Frye, “but shingle nails at three cents per pound.” Luckily, however, the executive of Maine was a Greenbacker, Gen. Harris M. Plaisted, and he vetoed the bill, putting all Greenbackers on record as opposed to any and all kinds of bank currency. Ever since the independence bell ceased to ring at Philadelphia the Hamiltonian school of politics, all of which believe the few should rule and the many serve, has been maintaining a life and death struggle to perpetuate the system of banks of issue. Jackson, Jefferson, Madison, Calhoun, Clay and Webster have all said more than once that the system was un-American, unconstitutional, a danger and a menace to our institutions. From 1863 until to-day every financial struggle has been a war between the anti-bank and pro-bank forces, with the victory always in favor of the banks.

The system has been well styled bankruptcy organized. At the bankers' convention, held at Louisville, Ky., in 1884, John Thompson, vice-president of the Chase National Bank, of New York, presented a plan to provide for an increased or extra issue of paper money in times of panic like the present. He proposed that Congress should enact a law investing the Secretary of the Treasury with full power to receive any United States bonds not exceeding in amount \$100,000,000 and to issue therefor currency notes (greenbacks) equal in amount to the par value of the bonds deposited and accrued interest. This plan has been tried by three different English ministries in time of panic, says Mr. Thompson, and found to succeed. Over twenty years ago a plan was put forth by Hon. William D. Kelley, Gen. William Biddle, Henry Carey Baird and E. M. Davis, of Philadelphia; Peter Cooper, D. A. Hopkins and Pliny Freeman, of New York city; John G. Drew, of New Jersey; Wendell Phillips, Gen. Butler and E. M. Boynton, of Massachusetts, and Solon Chase, of Maine, advocating that the entire government debt be refunded into bonds bearing interest at 3.65 per cent; that these bonds be made interconvertible with the government at the option of the holder for national currency (greenbacks), with a view to meeting and breaking the force of financial revulsions and bank contraction of loans like the present and protecting the business interests of the country. Mr. J. S. Coxey's plan is to allow the people, the counties or States to deposit State bonds with the United States treasurer and get their face value less 1 per cent in currency with which to do business, build roads and pay debts. The sub-treasury plan of the Farmers' Alliance, Federation of Labor, Knights of Labor and Populist party is to allow any man to deposit bonds, stock, first mortgages on improved real estate or any first-class security with the United States treasurer and receive therefor currency or greenbacks; that these bonds, stocks, mortgages, etc., can at any and all times be redeemed on payment back to the treasury the currency borrowed and a small rate or tax, say 2 per cent; either of

which plans would be vastly superior to the National Bank system or any system of bank issues ever invented and would destroy that monopoly over the volume of circulation and the rate of discount now held by soulless, heartless, unfeeling, selfish, artificial persons created by legislative enactment, holding the right of sovereignty—called corporations. It may not be generally understood, but it is nevertheless a fact that the 7-30 treasury notes or bonds issued during the war were interconvertible with the government for currency embodying very much the same principle as advocated above by Thompson, Cooper, Carey, Baird, Gen. Butler, Chase, Coxey and the Populist party. Mr. Fessenden, while Secretary of the Treasury, said: "The 7-30 notes authorized by the act of June 30, 1864, possess as many advantages as any form of currency, uniting a high rate of interest with convertibility." Were they in existence to-day under the same laws and conditions, they could at any time be returned to the treasury and converted into currency for use in relieving the stringency in the money market.

With either of these plans a gold basis would be unnecessary. Its expense could be avoided, and the coin of the country used for export or wash basins. The basis of the paper circulation would be bonds, stocks, mortgages on real estate—the same basis that is now and always has been behind all National Bank bills and is in reality behind the notes of the Bank of England—the same basis that is behind the bonds of the nation. The money could at any time be redeemed by the government whenever its holders desired to give it up in the securities they had placed with the government as a guarantee of its payment back. The question will be raised: Do you propose to have the government go into the banking business? In reply, the government is now in the banking business. It issues every charter to every National Bank in existence. It issues every bond that is used as a basis for their circulation. It engraves every bill they issue. It endorses every bill they issue with these words printed on the back. It maintains

a redemption agency and redeems every bill they issue. It keeps in office, supports and maintains a large corps of bank examiners to tramp over the country at the people's expense, draw their salaries and examine National Banks. The sub-treasury act of Andrew Jackson has been repealed, and the funds of the nation are kept in designated national banks called depositories. The government does all that there is now done in banking except two things. The banks receive all the deposits, make all the loans and draw all the interest. The government for all its labor gets nothing. And on at least two different occasions during panics—1869 and 1887—the government has paid out from two to four millions of greenbacks or gold to the New York banks to save them from bankruptcy. During the funding operations of the government the banks act as fiscal agents, sell the bonds and reap the enormous profits on their sale. The banking octopus has thrown its tentacles around the nation and is devouring it by suction. In the recent panic (1893) the press of the country expressed itself in terms quite as severe against the National Bank system as in 1881 and very much more general. The entire Populist press and party unhesitatingly charged the banks with having caused the panic for the double purpose of retiring the silver and greenback circulation and also for forcing an issue of government bonds. The Prohibition press and party made the same charge and quite as universal. The labor organizations and their press also charged the panic to the door of the banks and financial systems. Many Republicans and Democrats made the same charge. Clergymen from their pulpits and Congressmen in both the House and Senate declared openly that this is a bankers' panic.

CHAPTER XII.

PREACHED ON THE PANIC.

The Detroit Tribune of Monday, September 11, 1893, had the following extract of a sermon preached by one of the first divines in New York city. In his remarks he calls attention to the secret circulars put out by the Bankers' Association, which are published further on in this work:

"New York, September 10.—The recent financial disturbances were discussed from Rev. Thomas Dixon, Jr.'s pulpit to-day. He called the panic a senseless stampede, and declared the cause of the trouble could properly be charged to capitalists and large money holders. Said he: 'We have lost not one dollar of the real worth of the nation. We are not to-day one cent poorer in that which really constitutes the wealth of a people. Such a panic could have been produced only by human trick and chicanery. The panic was manufactured to order. It was done with malicious forethought, and it has in it all the elements of the deed of Cain. There was a concerted action of a certain coterie of great money hucksters throughout the world. They began without cause save the secret design of conspirators to call in their loans, to refuse applications for money from the best security and in every way to contract business. They issued a year ago certain secret financial bulletins to the lesser lights, giving them warning to follow in the steps of their masters.

"Their movement was against the money of America. They demanded the repeal of the silver purchase clause of our present law. And they demand its unconditional repeal—that is, that gold should for the time be only recognized as money. They forced the President of the United States to call Congress together and recommend this. By all means let it be done. The law as it stands is a confessed failure. It satisfied no one. Repeal it at once for a more important reason. It is the price Shylock demands. You have no choice. He has you on the hip. You must. He will make his billions in the transaction manipulating his gold, and business will then resume its normal sway.'"

Even Grover Cleveland, President and dictator of Congress, in his message to his cuckoo Republicans and Democrats, called in extra session, said: "Our unfortunate financial plight is not the result of untoward events nor of conditions related to our natural resources. * * * With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment and with satisfactory assurance to business enterprise, suddenly * * * corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though hitherto satisfactory, are no longer accepted." Among the various opinions given in Congress concerning the cause of the present panic (1893), Senator Walcott, of Colorado, said September 1, 1893: "This is a bankers' panic, and if you ask a banker to-day how the repeal (of the Sherman law) is to restore confidence he cannot tell you. It seems unaccountable that in panic times bankers do not desire an increased volume of money. Their plan is, however, after repeal (of the Sherman law) to ask for the issue of \$100,000,000 of gold bonds, and they have good reason to believe that a complacent finance committee will authorize such a bill." This prophecy of Senator Wolcott came true, only the bankers not only asked for \$100,000,000 in gold bonds, but for \$250,000,000 and got them, too (1896), under the most shameful conditions that bonds were ever issued by any government. The Sherman silver law was repealed, the gold of the country cornered and hoarded and the National Treasury placed at the mercy of foreign and American financial crocodiles. The conditions of the bond sale were so shameless that even bribery was charged at the doors of the President himself. Senator Hill, of New York, in his speech on the silver question, August 24, 1893, said: "Some portion of the present panic could be traced to a concerted effort on the part of the monometallists to produce it in order to discredit silver." The Kalamazoo Daily News, commenting upon this scheme of the banks to destroy silver for the purpose of forcing the government to issue bonds and destroy the greenbacks, said editorially:

"Had the policy of the government been to exercise the discretion vested in it by the United States and paid its obligations—say United States notes—in silver the treasury would not have been systematically drained of its gold by scheming money sharks for the purpose of forcing a bond issue that enabled them to skin the nation out of over \$7,000,000 in one week."

Sir Archibald Alison, the great English historian, corroborates the foregoing testimony to the fullest extent and says:

"The two great events in the history of mankind have been brought about by a successive contraction and expansion of the circulating medium of society. The fall of the Roman empire, so long ascribed in ignorance to slavery, to heathenism and to moral corruption, was, in reality, brought about by a decline in the silver and gold mines of Spain and Greece. And as if Providence intended to prevail in the clearest manner possible the influence of this mighty agent in human affairs, the restoration of mankind from the ruin this cause had produced was owing to the direct opposite set of agencies being put in operation. Columbus led the way in the career of renovation; when he spread his sails to cross the Atlantic he bore mankind and its fortunes in his bark. The annual supply of the precious metals—of money—for the use of the globe was trebled, before a century had passed the price of every species of produce was quadrupled. The weight of debt and taxation insensibly wore off under the influence of that prodigious increase; in the renovation of industry society was changed, the weight of feudalism cast off, and the rights of man established."

The Grand Rapids Evening Press said, January 31st, 1895: "Ever since the panic of 1893 a considerable number of people have held the opinion that both that panic and the major portion of our subsequent financial troubles were due to a conspiracy of the New York bankers to force the adoption of the gold standard to the exclusion of silver. * * * The New York bankers, and they alone, are, therefore, responsible for the present crisis, and the country is justified in charging up to them whatever of hardship may result from it."

CHAPTER XIII.

IN LEAGUE WITH WALL STREET.

The N. Y. Press, of December 17th, 1894, charged the administration at Washington of looking on with indifference at the outflow of gold from the treasury for the purpose of deluding the people with the idea that it could not be stopped until the greenbacks are destroyed and said: "There is little doubt that the administration will soon be insisting that the only hope for the country is in the retirement of the greenbacks." In December, 1895, the President fulfilled this prophecy by sending a message to Congress asking the retirement of the greenbacks. The people beheld the humiliating spectacle of a President and his cabinet, backed by a majority in Congress, in league with Wall street, State street and Lombard street, London, and federal office-holders from the Secretary of the Treasury down to the clerks in the postoffice and revenue departments were sent out hippodroming the country, advocating and defending the ideas and policies of the National Bankers' Association. The fight of President Cleveland against silver was carried to such extremes that in an address before the Presbyterian home mission meeting in New York on Tuesday, March 3d, he went out of his way and attacked the silver states, of which the following is an extract: "The toleration of evils and indifference to christianizing and elevating agencies" (in the new states of the west which) "if unchecked develops into badly regulated municipalities, corrupt and unsafe territories and undesirable states."

This attack was made unquestionably because of their pronounced silver opinions and to influence Congress against admitting any more silver territories to statehood. It called forth the following just and righteously deserved reply from Congressman Hartman, of Montana, March 5th, 1896. He said:

"Whatever may be my individual opinion of the president," said Mr. Hartman, "matters not. It would not be

proper for me to state it here. For the high office of president of the United States I have a supreme regard. The legitimate functions of that office are limited to those enumerated in our Constitution. Under the Constitution and laws, I deny the right of the chief executive to wilfully and wantonly, in public address or otherwise, insult any of the citizens or any state of the republic over whom he has been called to preside. I deny the constitutional authority of the president to give utterance in public address to sentiments favorable or adverse to proposed legislation pending in either house of Congress. When the president made the foregoing remarks he knew there were pending in Congress bills for the admission of certain territories into the union of states. He had been advised that a majority of the citizens of those territories were antagonistic to his peculiar financial and economic views, and under the cloak of a supposed religious address, before a religious organization, and with gross impropriety and for the purposes of preventing the achievement of the rights of statehood to which they aspire and are entitled, he gave utterance, as chief executive of this nation, to this unfounded slander against those citizens and states of the republic, whose interests he is sworn to protect and uphold."

At this point Mr. Powers, of Vermont, jumped to his feet and called Mr. Hartman to order.

"I am not reflecting on the president," said Mr. Hartman. "I am reflecting upon the sentiments which the president utters, and I have a right to do so."

Mr. Hepburn, of Iowa, who was in the chair, said that he did not feel called upon to say whether the remark came within the rule, whereupon Mr. Miles, of Maryland, came to the support of the president, but he was as promptly overruled, whereupon he appealed from the decision of the chair, adding that Mr. Hartman had taken a liberty which had never been countenanced in the American congress before. The chair, however, was sustained, and Mr. Hartman proceeded.

"The percentage of crime in those states and territories," he cried, "will not exceed that found in the State of New York, where the president seems to think all virtue reside. The per capita of wealth of the citizens of our state exceeds that of any state in the union save one. Educational facilities are equal to those of any section of the union, and if some of the patriotism of the people of the west had been possessed by the president and his friends the citizens of this republic would not have been called upon to witness the national humiliation of hauling down the American flag at Honolulu, of begging the

bankers of Wall street and Great Britain to save us from financial ruin, and under the behests of the powers behind the throne, of denying to the oppressed citizens of Cuba the recognition which the dictates of humanity and common right demand. (Applause.)

It is true we do not get our patriotism from Wall street, where the president gets his. (Laughter.) It is true none of our citizens has possessed that particular style of patriotism which would enable them to save by thrift and strict economy five times as much as their entire income amounts to, and it is also true that the patriotism of those corrupt and unsafe territories and undesirable states have never yet been able to rise to that lofty plane of supreme wisdom and virtue.

"It is also true that the patriotism of these 'corrupt and unsafe territories and undesirable states' has never yet been able to rise to that lofty plane of supreme wisdom and virtue, which enables those who claim to occupy it, to justify the sale of 30-year government bonds of a year ago for 104 when that very day 10-year bonds were selling for 116. On behalf of the citizens of the states and territories thus slandered and maligned by the chief executive, I here and now repel the insult and respectfully suggest that the greatest need of this country for the work of the missionary, the schoolmaster and the statesman will be found at the White House." (Laughter and tremendous applause.)

This closed the incident.

Hartman's attack has caused a great sensation here.

It is not a very encouraging symptom when congressmen feel called upon in open debate to accuse the president of the United States of being in league with the money power of Wall street and London, and of having saved by this means a fortune of over five times all his income in life ever amounted to. These painful and apparent facts simply forebode a repetition of the history of Rome in America. First, democracy; second, aristocracy; third, monarchy; fourth, destruction. Cleveland has all the qualities of the Caesars except brains; John Sherman makes a good Mark Antony; Blaine was a Cataline, Conklin a Cicero, Grant a Julius Caesar.

The gold power of Wall street not only carries the Republican and Democratic parties in the seat of its pants, but in 1895 published a statement that it had secured abso-

lute control of the editorial columns of 1,000 of the leading newspapers of the nation, covering every part of the country, and that contracts have been closed with the many ready print and newspaper stereotype plate establishments through which the Wall street idea of money is to circulate through the country press. Thus the printing press, which should enlighten and free the world has become the engine of falsehood, darkness and mental decay. The Bay City Tribune said (1895): "The recent bond sale, which was engineered and consummated by President Cleveland and Secretary Carlisle is generally regarded as a suspicious transaction." October 15, 1887, the Chicago Tribune, referring to the then recent bankers' convention, said editorially: "No topic discussed at the meeting of the American Bankers' Association excited more interest than schemes to perpetuate the national debt as a basis for continuing bank notes and the issuance of more debts of the banks as currency. Naturally enough the bankers are loath to give up a currency now subject to their manipulation and which may be contracted or expanded by them at will. Not long ago, indeed, the bankers were determined to have no currency except such as they could control. Controlling the gold bullion market, they demanded the cessation of silver coinage and a strict adherence to the 346 million limit for the greenbacks. Under such a system the only sort of currency subject to contraction or expansion would be manipulated by the banks and they could make money cheap or dear as they desired. Before long the government must resume the money issuing power entire and cease loaning out a sovereign function to be exercised by private corporations. The sooner the bank notes are retired and the banks restricted to a legitimate banking business the better."

CHAPTER XIV.

BANK METHODS.

Such was the contraction of the currency by the withdrawal of loans in 1895 that it was almost impossible to get cash to do business. The writer presented a \$250 draft on Chicago at a bank in Michigan and was told by the cashier that currency was so scarce that it was impossible to cash it, but if it would be an accommodation he would let us have \$100 in cash and a Detroit draft for \$150. The most surprising thing about the matter was that he had a small bundle of Detroit drafts signed in blank, one of which he filled out and gave us, showing that the money stringency was preconcerted and designed to place all business more completely in the hands of bankers. In Lansing, Mich., it has been the habit of manufacturers for years to pay their employes in bank checks. During this panic, however, the checks remained uncashed for days, and were used as currency circulating at a discount. The condensed milk works paid farmers for their milk in checks on Detroit banks and the Lansing banks refused to cash them, claiming they could not get cash for the same in Detroit, and these checks were bought up at a discount by merchants, deposited at banks (where said merchants were doing business) and cancelled through the clearing house. In fact money had become so scarce with which to do business that the people gladly availed themselves of checks drafts and clearing house certificates in lieu of money. The patient was dying for want of water. The government stopped the coinage of silver and took the last drop away, while poverty stricken fools hollered there is plenty of water in the Great Lakes. In Millville, Fla., and other places working men were paid in store orders in lieu of currency. Sample of one issued at Mill view, Fla.:

*Exchangeable for United States notes by any
Assistant Treasurer or designated U. S.*

*Depository in sums **50** not less than five
dollars. Receivable in payment of ALL DUES to
the United States less than five dollars.*

Act approved July 17, 1862.

So great was the fall in real estate in Lansing, Mich., that the condition can be illustrated by publishing the following taken from the Lansing Republican of February 19, 1896:

Justice Joseph B. Moore, of the Supreme Court, this morning purchased the handsome residence erected by C. H. Maynard, of Portland, last year, at the corner of Townsend and Lenawee streets, at a cost of \$18,000, the two lots being valued at \$7,500, making the cost of the property to Mr. Maynard \$25,500. Through the real estate agency of A. E. Briggs, Judge Moore purchased the property this morning for \$12,000. He will occupy it early in the spring.

Let it here be observed that while real estate was shrinking over one-half, the Supreme Judges salaries had been increased from \$2,500 to \$7,000 annually during the ten years previous and during the panic. The salaries of the other State officers had been increased and in many instances proportionately. The dollars had got so "honest" and so "sound." This "money of the world"—the Rothschilds' world—had so increased in purchasing power by demonetization and contraction that 12,000 of Judge Moore's dollars would buy \$25,000 worth of C. H. Maynard's property on the best residence street of Lansing. Of all thieves these "sound money," "honest money," "money of the world" thieves, many of them pretended followers of the Holy Child Jesus. Many of them, having taken the obligations of Masonry and Oddfellowship, outsteal all the professional thieves on earth. They can teach piracy to pirates. Clearing house certificates were issued in every State in the Union where a clearing house existed. It was not a

question of whether we should do business with silver, paper or gold. It at once became a question of whether we could get any money to do business with. It was not a question of whether we should pay our debts in honest or dishonest dollars, but it had become a question of whether we could pay them at all or not. Bankers and money loaners themselves now realize that it is not a question of what we shall pay our debts in, but whether we can pay the interest even, in anything. The only way the mortgagor can revenge himself on the mortgagee is to let him have the mortgaged property, since under the gold unit system all property is valueless and taxes are paid in units and not decreased in ratio. It is easier to corner wheat alone than it is to corner wheat and corn. It is also easier to corner gold alone than it is gold and silver together. The banking syndicates of this country and England knew the only way to successfully corner the final redemption money of America was to first secure the destruction of silver by stopping its coinage. The damnable scheme was carried out. Gold was cornered by the Morgan-Rothschilds' Syndicate, \$200,000,000 in gold bonds issued and the government debt of the United States has been made practically perpetual. For the power that cornered gold in 1895 can as easily corner it in 1925 when the gold bonds become due and force their reissue. If anything short of Gabriel's trumpet will awaken the American voter to his condition this ought to. While the metropolitan banks have fattened through this panic hundreds of country banks have been crushed. Private bankers and country bankers ought sometime to get their eyes open when the fact is so plainly disclosed in every financial panic that almost all the small banks either fall or make enormous losses. It is simply the big fish eating the little ones in banking as in everything else. No general panic ever occurred without antecedent contraction. The large city banks can easily call in their loans from the small city and country banks and do it with perfect safety but when the latter call in their loans from the large mass of retail dealers small manufacturers and farmers the with-

drawal of loans or rather contraction of currency from among the people becomes a slip-noose around every business man's neck and in a financial sense the banks choke him to death. The panic of '73 was caused by government contraction of the greenback circulation to force resumption and the enormous additional contraction by silver demonetization. The panic of '93 was caused by a forced contraction of the circulating medium through the banks of our metropolitan cities calling in their loans to use the money in the purchase of American securities offered for sale by foreigners and the additional contraction caused by the repeal of the so-called Sherman silver law and also the payment of gold from the treasury to be shipped abroad, amounting to over \$100,000,000, and by retaining the silver in the treasury vaults, rendering it useless either for redemption purposes or for circulation among the people. The banks not only at this time and in this panic, but at all other times and in all other panics have had an ulterior purpose, viz: the destruction of the government legal tenders and all other kinds of currency except gold and bank bills which they and they alone possess and control. The Detroit Tribune, February 9, 1895, says: "The vote on the administration financial plan may be considered a vote on two vital propositions, namely to issue bonds and to retire the greenbacks. There was no following of party lines, Democrats and Republicans were about evenly divided as to the bill. The vote may be taken as drawing the battle line for financial reform. The issuing of bonds and the retiring of the greenbacks is in effect one proposition. The question is really as to interest. The supporters of the President's plan favored paying interest for the money the government owes while the opposition wishes to pay no interest. Two diverging lines of business policy are presented. The national banking system is responsible for a good deal of the hostility to the bond policy. The issue of the amount of bonds suggested by the President with the retirement of the greenbacks, would lead to a vast expansion of the national bank currency. The banks would buy the bonds

and draw interest upon them. They would issue currency against the bonds and draw interest on it. The double interest doesn't take the fancy of the people of the west and south."

At this writing, February 28, 1896, the bonds have been taken by the banks. The robber scheme has worked itself to its premeditated end. The Lansing Republican of February 25, 1896, publishes the following press dispatch from Washington:

Washington, February 25.—Great activity has been displayed by national banks within the past few weeks in taking out additional circulation. Last week the increase amounted to \$1,529,053, and since January 1 to February 21 Comptroller Eckels has on application ordered circulation for national banks to the amount of \$15,082,750, nearly all of which it is expected will be taken. The new bonds form the basis of the increased circulation.

This whole panic, therefore, was caused by the national banks in their mad rage to retire the greenbacks, that bear no interest, and supply their place with national bank bills, that cost the people double interest. Ye gods! such plundering of the people, especially the debtor classes, in these years 1893 to 1897, and no civil war yet, no bloodshed yet. It is marvelous that a people can suffer to be robbed so long and not resent it. It is doubly marvelous that from five to eight thousand private, state and savings banks in this country will continue for over a quarter of a century to allow the three thousand national banks to control the currency, contract or expand it at will, regulate the price of bonds, continue the fiscal agents of the government to the exclusion of all others, monopolize government deposits, regulate the coinage and the mints, in short, regulate and control the United States treasury—and not resent it or try to stop it, or in any way curtail their powers and special privileges. The private, state and savings banks are but puppets in the hands of the national system. When the present panic struck Lansing, Mich., the Ingham County Savings Bank had just drawn a draft on New York for five thousand dollars, and their correspondent in New York refused to honor it, notwith-

standing the Ingham County bank had over \$50,000 in securities behind its credit in that city. Hundreds of solid private, state and savings institutions all over the land were crushed by the refusal of metropolitan banks to honor their drafts, without any reason whatever, except that there was not currency enough in the country to do business, or because the banks had formed a conspiracy to crush the people and choke out their business lives, with the slip-noose of bank contraction, until the government disgorged its bonds, stopped the coinage of silver, and surrendered its greenbacks—the only money ever found in a dying soldier's pocket—up for cremation and issue \$346,000,000 of interest bonds in its place. February 8, 1895, the Jackson Patriot said: "Quit the use of silver, retire the non-interest bearing greenbacks and treasury notes, lessen the supply of money, issue more gold bonds, give to corporations the power to issue all paper currency on an impossible basis of gold redemption—such are the details of the policy the people of this country, at the behest of Wall street, are invited to adopt. Will they do it? Not while wood grows and water runs. Let it be carried into effect and times would be harder, business depression severer, values of land and its products lower than yet known. Present conditions have been brought about by a gold conspiracy that controls every civilized government."

The Lansing Republican, April 5, 1895, says: "Two hundred and one years ago the Bank of England started on the basis of a government debt of 1,000,000 pounds sterling. That debt has increased to 11,000,000 pounds, or \$55,000,000. Another evidence of how debt grows while men sleep." The national bank swindle of the United States proposes a perpetual bonded debt behind its bank notes of six times that amount to start with. What, pray, will remain of the country the banks don't own in another quarter of a century if this enormous, gigantic octopus is allowed to live? Show me the money of a nation and I will show you the state of her civilization. Shells is the money of the semi-civilized, gold the money of monarchies and paper the money of republics.

CHAPTER XV.

BUT TWO SCHOOLS OF POLITICS.

It has always been maintained by the Hamiltonian school of politicians that a paper money is always dependent upon its redeemability in coin or its value. Yet at the same time it is admitted that there is not one dollar in ten of coin in the country to redeem the paper with. It is also admitted that no specie basis paper money ever remained at par any considerable length of time. The Jeffersonian school of politics, on the other hand, maintain that the value of a paper money depends upon the sum of and quality of its uses. These create a demand for it, and demand establishes its value. Several of the American colonies, before the revolution, issued a paper money which was not only made a legal tender in the colonies, but receivable for colonial revenues and taxes. We have the testimony of Franklin, Jefferson and Calhoun, as well as that of Hildreth's history of the United States, that it never fluctuated in value below coin. The government of the United States issued treasury notes during the 1812 war, and they were used to pay the soldiers behind the cotton bales at New Orleans. Bank bills based on specie were worthless because all specie, as is usual in times of trouble, had hidden from sight. The treasury notes, however, did not fluctuate or hide. In the beginning of the rebellion the government found herself without funds. Coin had again hid in the vaults of the New York banks. In fact, it had been cornered or hoarded for the express purpose of squeezing the government. But Lincoln and his cabinet, unlike any subsequent President, smote the rock of sovereignty. The demand note and postage stamp currency gushed forth. The demand note never went below gold, but kept pace

with it up to the giddy height of \$2 85. The postage stamp currency was everywhere as good as gold. On the front was a row of five pictures of George Washington, with the amount represented by figures in the upper corners, and on the face were the words "postage currency, furnished only by the assistant treasurers and designated depositories of the United States, and also the words "receivable for postage stamps at any postoffice."

The demand notes and postage stamp currency had all the functions of money, and performed all its duties. Its use was complete. It demonstrated the wisdom of the Jeffersonian school of politics in always claiming that the value of money depended on the sum of its uses, not its redeemability in coin. The regulator of its value was the government that received it the same as gold in payment of all dues to it and used it in payment of all demands, owing by it, even including interest on the bonds. Coin gold, having no monetary advantages over this paper as a money, could not rise above it. Whenever the commercial value of gold rises above its legal value, that moment the article goes from circulation into the hands of brokers. For this, if for no other reason, it is a dangerous currency and a much more dangerous basis for any people. No commodity is suitable for the currency of a civilized people. When the demand note was issued, Gen. Scott, then commanding the army, issued the following order to the soldiers of the war:

Headquarters of the Army,
Washington, September 3, 1861.

The General-in-Chief is happy to announce that the Treasury Department, to make further payments to the troops, is supplied, besides coin, as hitherto, with treasury notes (demand notes) in \$50, \$100 and \$200, as good as gold at all banks and government offices throughout the United States, and most convenient for transmission by mail from the officers and men to their families at home. Good husbands, fathers, sons and brothers serving under the stars and stripes will thus soon have the ready and safe means of relieving an immense amount of suffering which could not be reached with coin. In making up such packages

every officer may be relied upon, no doubt, for such assistance as may be needed by his men. By order of
LIEUT.-GEN. SCOTT.

The next paper money paid the soldier was not as good as gold or as good as the demand note. Why? Because the United States had repudiated it, had placed the words except for customs revenue and interest on the public debt upon it. The government declared this money was good enough for the farmer, mechanic, merchant, manufacturer, laborer and soldier, but not good enough to pay the bondholders' interest or revenues to itself. An abnormal demand was made for coin by law, while the greenback was shorn of its two principal powers. A conspiracy like the one now controlling the treasury cornered all the gold in the country and tossed it up and down in price at their own sweet will during the entire war. Hon. William P. Fessenden, Secretary of the Treasury, in his report, said: "The experience of the past few months cannot have failed to convince the most careless observer that whatever may be the effect of a redundant currency upon the price of coin, other causes have exercised a greater and more deleterious influence. In the course of a few days the price of this article (gold) rose from fifty cents to \$2 85 in paper for \$1 in specie, and subsequently fell in as short a period to \$1 87, then again rose as rapidly to \$2 50, all without any assignable cause traceable to an increase or decrease in the circulation of the paper money. * * * It is quite apparent that the solution of the problem may be found in the unpatriotic and criminal efforts of speculators to raise the price of coin regardless of the injury inflicted upon the country or desire to inflict it." Whenever a complete and established government with abundant revenue and taxes like the United States makes any currency of whatever material, receivable and redeemable in those taxes and that revenue, she at once creates a demand for that money which places it beyond all possibility of fluctuation. The taxes of the states, counties, towns, cities and government reaches the enormous sum of over \$750,000,000 annually. A circulating medium larger than all the currency and all

the government debt at the close of the war would pass through the hands of our tax and revenue collectors every four years, and in four years' time, if not again paid out, would be redeemed in taxes and cancelled. But on top of all this the government would make this paper a legal tender for all debts, and as the indebtedness of this country is variously estimated at from twelve to twenty billions. The legal tender quality alone would make a demand for the paper such as would float and redeem over \$3,000,000,000 annually. The man who in this day and age of the world says we must have a metallic money for any purpose whatever argues himself a dolt, a knave or a cuckoo. In 1866, after the act to contract the currency and substitute interest bonds in its place had passed Congress and greenback cremation had already commenced, England sent to her agents in this country to purchase for her account \$47,000,000 in specie, and gold at once rose 50 per cent. No sound political economist ever argues that gold does not fluctuate in value. At no time does gold dust or bullion sell at the same price per ounce in New York, London, Amsterdam, St. Petersburg, Vienna, Calcutta and Hong Kong. There is always several pence per ounce difference. The writer once had \$25,000 worth of gold dust in Africa and shipped it to London because it brought two pence more per ounce in London than Johannesburg or Accia. In London it was learned that it would bring a greater price per ounce in New York than in England, therefore we took it on to New York and sold it, realizing over four pence per ounce profit for the trouble. Not a National Bank bill in America would circulate at par if the government refused to receive it for taxes.

CHAPTER XVI.

GOLD FLUCTUATIONS.

That demand makes paper as well as gold money circulate or go to a premium is illustrated by the following:

When Treasury Circular No. 31,896, dated January 6, 1896, inviting proposals for the purchase of \$100,000,000 United States 4 per cent bonds to replenish the resumption reserve was put out, greenbacks and gold immediately went up to from one-fourth to 1 per cent premium. Let it be remembered in this case that greenbacks would buy this issue of bonds the same as gold and nothing else would, so greenbacks went up with gold. The Lansing Republican of January 17, 1896, said: "Bullion dealers quote the buying price of gold as unchanged at one-half per cent and they sell at three-fourths per cent. The premium on greenbacks is slightly lower at three-eighths per cent buying and one-half per cent selling. Business is fairly large." Writing of the subscription to this government loan, the Detroit Tribune, January 14, 1896, said: "The gold was deposited for examination and receipts were given for it. Only United States coin is received at the sub-treasury, and no charge is made for examination. Foreign gold coin and bars are received at the assay office subject to the usual charge for treatment and mintage." This quotation is given to establish the fact that there is no such a thing as a money of the world; that all foreign gold or silver coins received by the government are first taken to the assay office and examined, then received as a commodity, always subject to the usual charge for treatment and mintage. The Detroit Tribune of the same date also says all the gold received on this day (January 14, 1896) came from abroad, "and in no single instance were greenbacks taken

in exchange for bonds," clearly indicating that on other days and in other instances greenbacks had been taken at par for bonds. This is the fact. From the very beginning of Cleveland's bond issues to maintain resumption down to the day of its discontinuance greenbacks were received at par for the gold bonds and credited to the gold reserve in the treasury. The same scheme was worked by the bankers on Grover Cleveland in the purchase of the bond issues of 1895 and 1896 as was worked on Abraham Lincoln from 1862 to 1865. During the war our entire bonded debt was bought with paper. The greenbacks when first issued bore this clause of the law upon their backs:

"This note is a legal tender for all debts, public and private, except duties on imports and interest on the public debt, and is receivable in payment of all loans made to the United States."

The last clause made them payable for the bonds at par. The \$150,000,000 of gold or coin that had been hoarded by the New York banks now came out of hiding. With \$100 in coin the banks bought \$285 in greenbacks at par for bonds. The interest on the bonds was paid in coin, and the \$150,000,000 of coin was soon back in the hands of the bankers. A second time they changed it for greenbacks, getting over \$2 50 of paper for one in coin, which paper was again used to buy more coin interest bonds. This thing was kept up until all the bonds were thus bought with paper. By means of this little financial scheme the bondholders got all the bonds of the country, and the government did not realize, said Secretary Fessenden, over 67 cents on the dollar for the entire bonded debt. After the war had closed the "credit strengthening act" was passed, making all these bonds bought with greenbacks payable in coin. Fearing such a bare-faced robbery would be declared unconstitutional, the funding bill was passed in 1870, and all the old bonds were refunded into new bonds bearing upon their face the words "payable in coin of the standard value and fineness of July 14, 1870." Silver was demonetized in 1873, which made all those bonds afterwards

payable in gold in coin. Our gold debt under Cleveland was purchased mostly with paper, but is payable in gold after thirty years. Oh, *dus immortales!* what bare-faced swindling and open-handed robbery from 1861 to 1897, a period of thirty-six years, and still the people are not in open revolt. Wonderful patience! In discussing one of the bond schemes which this panic produced in the interest of the banks, Senator Mills, of Texas, said, as reported in the Detroit Tribune of January 16, 1896:

"Mr. Mills (Dem., Tex.) then took the floor in support of his resolution introduced yesterday concerning silver, bonds, etc. He spoke extemporaneously and was given close attention. He first drew attention to the long continued antagonism to silver and the present locking up of accumulation of silver in the treasury vaults, due, he said, to the powerful influence in this country claiming that the prerogative of issuing money should be given to corporations, to expand and contract as they pleased.

"The National Bank idea was not a Democratic idea, the Democratic policy favoring the retention by the government and the people of the money making prerogative. Mr. Mills showed the contractions and expansions of the circulation made by the banks, and said the system was now to be perpetuated by further issues of bonds. Whenever the verdict of the people had been taken it had been in favor of the legal tender notes. The people had always stood against bonds and bank circulation.

"'Let any party,' said Mr. Mills, 'dare to go before the country in the coming contest with a plain declaration favoring a bonded debt and bank circulation, and when the campaign is over that party will need the services of a first-class undertaker.'

"He differed with the president on this subject, and he regretted it. But this was a country of free discussion, and the difference with the President and the Secretary of the Treasury existed in spite of his high personal regard for them. The President wanted more bonds, adding to the people's burden and imposing this burden on our children and our children's children.

"Mr. Gray asked if Mr. Mills believed in notes which were never redeemed, in short, in fiat money.

"Mr. Mills rejected the idea that legal tender notes were fiat, and explained the theory of fiat money. Why did not our distinguished Secretary of the Treasury, asked Mr. Mills, when this bank conspiracy began, say to these gentlemen, now show your cards and I will pay you in

silver. If the Secretary had coined the silver in the treasury and paid it for current expenses there would have been no deficit. The President's bond issues were futile. It was like pouring water through a sieve. The hundred million issue a few days hence would be followed by another hundred millions in a few months. The President's language concerning finances sounded like the statements of Jay Cooke, when he advocated national debts as national blessings.

"This bank power threatened to wield a controlling power in the Senate, the House of Representatives, the executive branches and the United States Supreme Court. This last branch has grown so powerful that it could almost decree monarchy in the United States. That would be no more absurd than the decision against the income tax overruling the decisions of a hundred years. The Senator closed with a strong expression of his purpose to at all times resist the growing influence of the bank power."

Senator Peffer said in the Senate the same day: "The bond policy of the President is little else than a 'great public crime.' This and all the public crimes affecting the finances have been brought out by American and foreign capitalists, who have kept a paid lobby at Washington constantly to influence monetary legislation in favor of the classes and against the masses. On January 17, 1896, the *Arenac Independent* and other country papers through the land the same week published a press article from a syndicate correspondent in Washington containing the following clause on the Cuban situation: "Meanwhile agents of Spain are said to be spending money liberally to delay congressional action" in recognition of Cuban belligerency. Not only Spain, but England and other foreign countries, have ever found it to their interest to keep agents at Washington liberally supplied with money to affect all legislation inimical to their interests. Silver demonetization is a case in point. The government financial policy has been generally dictated from Lombard street, London. The result has been government contraction of greenbacks in 1866 to 1869; demonetization of silver, 1873; bank contraction of loans and withdrawal of circulation in 1881, and bank withdrawal of loans, refusal of discounts and government repeal of the Sherman silver law and bond issues, 1893 to 1897.

CHAPTER XVII.

CLEVELAND'S POSITION.

The Detroit Tribune, in the latter part of April, 1895, published an editorial, which was republished in the State Democrat May 2, 1895, criticising the position of President Cleveland on the silver question as follows:

"President Cleveland, in his letter to the Chicago committee, inveighs against the idea of improved prices of commodities produced through what he terms 'the illusions of a debased currency.' Speaking of the farmer, he says: 'Let us remind him that he must buy as well as sell; that his dreams of plenty are shaded by the certainty that the price of the things he must buy will not remain stationary; that the best prices which cheap money proclaims are unsubstantial and elusive,' etc. Let us remind Mr. Cleveland that what is sought by the friends of bimetallism is not the abnormal inflation of prices, not what may be called a boom in values, but rather to check and arrest that unnatural, disheartening and destructive fall in prices and values, which has been in progress since 1873, which still continues and threatens to continue indefinitely. The fact of this great decline and the effects of this decline are wholly ignored by the distinguished letter writer.

"It is undoubtedly true that during the middle ages and down to the beginning of the eighteenth century prices of commodities were much lower than at present, and it is also equally true that there was then a much lower order of civilization among all classes, and especially among the common people. The condition of the masses was incomparably below that of the lowest classes of our working people to-day. So, too, there was a period in the first half of the present century, before the great gold discoveries, when commodities, and especially food and clothing, were very cheap, and when wages were correspondingly low. But never has there been witnessed a fall in prices so universal, so rapid and so hurtful as that from 1873 to 1895. What has been that decline? Referring to Mr. Edward Atkinson's adaptation of the Sauerbeck tables, in the April

Forum, recomputed and compared on the unit of 100 in 1860, and taking the average fall of prices from 1860 on, we find it to be as follows:

"Average of all prices:

1860.	1865.	1870.	1875.	1880.	1885.	1890.
100	216.3	142.3	127.6	106.9	.93	92.3

"It will be noted that the average fall of all prices from 1870 to 1890—twenty years—was from 142.3 to 92.3, or 3.6 per year, and it is needless to say that the fall since 1890 has been in even greater ratio. What is the meaning of all this? It means for one thing, that the manufacturer must produce with the certainty that he is to sell his product upon a falling market, and that he must reduce his cost of production accordingly. He can do that in one of two ways: One, by reducing the cost of raw materials; two, by reducing wages or by accepting so narrow a margin of profits as to court failure and ruin.

"So, too, in regard to trade and commerce. The merchant knows, when he lays in his stock, that before he can dispose of it prices will go down, and he is thereby deterred from purchasing largely and prevented from offering to his customers the advantages of large purchases, as he otherwise might do. The farmer, when he prepares for his crop, is aware that he must sell his wheat, his wool and his other products upon a descending scale of prices, and he plows in fear and sows in trembling and reads under the cloud of disaster. He knows that the mortgage on his farm is growing larger and not smaller; that there is no shrinkage in his interest charge or his taxes; and he halts under the burden of his discouragements.

"In each case it is a constant fight between success and failure, with the line of battle wavering and inclining now to one side and now to the other.

"Let it be granted for the sake of the argument, which we do not concede, that prices might as well be measured in a small number of units as in a large number, and that low prices are not per se an evil. Nevertheless, every intelligent man, except perhaps Mr. Cleveland, will freely admit that the falling prices is a great and most destructive evil, resulting in widespread disaster.

"Even Mr. Giffen, the great English monometallist, admits so much. His contention is that while any general fall in prices is always an evil, and the consequence far-reaching, yet when the lower level is attained and the new range of prices established, the lower price is not in itself harmful. We believe that even this is not true. It is putting business and enterprise in a straight jacket, where they cannot grow, free and robust.

"It is estimated, says President Andrews, of Brown University, that there are a trillion and a half \$1,500,000,000,000) worth of time contracts now outstanding, and a change in the purchasing power of a dollar (price of commodities) materially changes every one of these contracts.

"How this affects debts is shown by the following illustration:

"Between 1870 and 1884 the national debt of the United States decreased not far from three-quarters of a billion dollars (\$750,000,000). Yet if we had to pay that debt in beef, corn, wheat, oats, pork, coal, cotton and bar iron—and that is what we have to pay it in—measured by these commodities it not only did not diminish, but, on the contrary, increased not less than 50 per cent. What this means to the producers of the country every one, except Mr. Cleveland, can see.

"Mr. Cleveland is like the knight who saw but one side of the shield, and seeing that one side declared, "'Tis blue! 'Tis blue!" Had he been able to see the other side he would have known of a certainty it was red."

The above article is unanswerable. Panics are caused by a fall in prices. A general fall in prices is caused by a contraction of the currency. All contraction is caused by demonetization, withdrawal of loans by our monopolistic banking system and hostile financial legislation. Contraction is periodical, caused either by the banks or legislation.

Panics have also been periodical in this country, and every time preceded by and accompanied by contraction, and the worst form of contraction is when banks of discount draw in their loans suddenly from the people. The State Democrat (Michigan) says:

"The banks of New York can at a moment's notice refuse to honor any draft of any country bank, and having that power can dictate terms to the country banks. They can compel every country bank to curtail its loans, refuse to extend credits, or stop loaning altogether. This power can never be destroyed until there is established a general government banking system like the national postoffice system."

Few persons, not even the country bankers themselves, realize the power the metropolitan banks in the large centers of exchange have. International exchange is drawn upon London, which gives to England an immense financial

advantage in international monetary affairs. Our domestic exchange is drawn principally on New York. Then come Chicago, St. Louis, New Orleans, San Francisco, Philadelphia, Savannah and other large cities in the order of their commercial importance. The country banks almost universally give their notes backed up by collateral security, such as they have—viz., bonds, stocks, mortgages and commercial paper—for the deposits placed to their credit in New York and other large cities, against which their drafts are issued. The banks in the large cities, therefore, have the power, through concerted action, to refuse loans on collateral, and thus render it impossible for the country banks to draw upon them. This banking system thus places the country banks and the business of the entire nation at the mercy of the large banks and clearing houses of half a dozen of the principal cities in the land. Whenever from any cause foreign or domestic, speculative or war, the metropolitan banks have cause, or think they have cause to act with caution, they call in their loans, refuse to honor drafts, and thus, in the language of the New York Tribune, "the financial corporations of the east can act together at a single day's notice, with such power that no act of Congress can overcome or resist their decision." The people, the country banks and commerce is at their mercy. There is no remedy except the overthrow of the entire system and a governmental banking system as universal and as minute in all its details as the present postoffice system. The government has as much right to establish a national banking system with a branch everywhere it now has a postoffice, capable and willing to perform every honorable and necessary function now performed by banks, as it had to establish a postal system in competition with the former private carriers of mail matter, who existed, flourished and robbed the people not so very long ago. In fact, neither the nation nor the States should be allowed to delegate one particle of their sovereign power to artificially created persons called corporations. The entire theory of corporate existence is all wrong, all dishonest and all dangerous to

the liberties of the people. No mere law against interest will prevent usury. It can only be stopped by a government banking system that will receive the deposits of the people at a low rate and loan them at a slight excess sufficient merely to cover the expense of maintaining the system. Interest is death. Nothing on earth will beat 6 per cent unless it is 7 or a higher rate. Insurance, rent and profit are controlled largely by the rate of interest. Hence the interest or financial question is the first of all problems to be settled in this country. The welfare of the nation depends upon it. The tariff question even is very easy of solution when the interest question is once settled. A reduction of the rate of interest to 3 per cent would cheapen production by reducing the cost of all capital employed over 100 per cent. A greater protection than any tariff, however high, ever gave this country. The four elements that enter into the cost of manufactured goods and placing them upon the market are labor, raw material, cost of capital and cost of transportation. Three per cent interest means 100 per cent reduction in cost of capital and transportation, 100 per cent reduction in securing and operating raw material, and 100 per cent better wages paid to labor with goods placed on the market at a much lower price and at an increased profit to the manufacturer. Three per cent capital would make America a vast work shop instead of a vast prairie farm controlled by European manufacturers. Three per cent capital would meet the Japanese question of cheap labor with American cheap capital and the then only perfect financial system in the world. Postal savings banks now exist in several civilized countries. The system here suggested affords all the privileges of a postal savings bank and all the conveniences of a bank of exchange, loan and deposit with none of its disadvantages and faults, securing by government competition a low rate of interest throughout the land.

CHAPTER XIX.

A PHILOSOPHICAL TRUTH.

EQUITABLE "INTEREST" A MINUS—NOT A PLUS— QUANTITY.

"Even-handed justice requires that the receiver, or custodian of surplus money (or any surplus property whatsoever) who, by ample guarantees, insures to the owner, depositor or 'lender,' a prompt return, when wanted, of a full equivalent thereof (and in as desirable form, place and condition, in every respect, as at the time it was received—taking latest products as standards) should be paid for this onerous service—i. e., 'the borrower' who thus guarantees (and thereby becomes 'servant to the lender') should receive, and the 'lender' who accepts such guaranty, should pay 'interest.'"

The New York Sun, February 25th, 1889, has this to say: The fundamental principle of sound savings bank management is to aim, first and last and all the time, at keeping the deposits safe, and making the income derived from them a matter of secondary importance. This is a proposition which, in our busy, restless, pushing and enterprising American world, we forget too easily. We are so accustomed to deriving a profit from the use of our money that we have got into the habit of regarding this profit as the chief if not the only value of money itself. Spending one's principal we look upon as a sort of financial suicide, and if we exceed our income in one year we think we should make up the deficiency by a corresponding retrenchment in a following year. Yet it is not so long since taking any interest for money at all was regarded as immoral and even sinful. The very word "interest," which has replaced the ancient "usury," marks the subterfuge by which the casuists of the middle ages evaded the prohibition of the church against exacting payment from a borrower for the "use" of the money lent to him. It embodies the fiction by which the lender was supposed to be compensated for the damage he suffered through put-

ting his money out of his hands, and not for its hire. The old prejudice against receiving this hire survives in the odium which attaches to taking a higher rate of interest than the law allows. It is called "usury," and it is punished in this State by the forfeiture of principal and by more serious penalties. Yet it is plain that there is no essential difference between making a borrower pay 6 per cent and making him pay 7 per cent; or between making him pay 6 per cent in New York and 10 per cent in Kansas. I mention this merely to show how comparatively modern is the custom of paying interest, and how ancient is the idea that the safety of the principal is the important thing.

FACTS DIFFICULT TO FULLY COMPREHEND.

The vastness of the sum which would have resulted from an investment of one million dollars, made at the time the Pyramid "Cheops" was built (if it had then been possible to have so "planted" or lodged it, or its equivalent, that it would have, in any wise, increased at an average rate of one per cent per annum) it is very difficult to fully comprehend. The figures given we will not attempt to enumerate but simply write the total (resulting in 3900 years at one per cent interest), as follows: —4,052,555,153,018,976,267,000,000 dollars. We thus leave the reader to suit his own notions in regard to enumeration. We remark, however, that if so vast a sum as the foregoing should be divided equally among the one billion four hundred million men, women and children, now inhabiting the globe, each (including all the babies) would have the very handsome fortune of two billion eight hundred and ninety four million (\$2,894,000,000) dollars; an amount sufficient to buy the City of New York, for winter residence, and also the northern portion of the state itself in which to recreate in summer, and still leave a residue large enough to buy half the States of Delaware and Rhode Island to hold for any possible heir of the next generation. Or this residue would be large enough to secure the control, in great measure, at least, of the chief railway and other transportation systems of the United States. If the evidences of wealth that would have thus grown

should all be cancelled except in one isolated case, that one, when he arrived at man's estate, could, under existing laws, make a continent dance whenever he should choose to pipe. Conclusion—Money, or property, surely does not actually earn so much as one per cent interest. Moral—“A prudent man foreseeth the evil and hideth himself; but the simple pass on, and are punished.”

The Union Bible Dictionary, published by the American Sunday School Union, Philadelphia, gives the definition of the word usury as follows: “The word usury, by modern usage, means exorbitant or unlawful interest; but in the Scriptures it means any interest. The law of Moses prohibited the Jews from taking any interest of each other for the loan of money, or anything else, though they were allowed to take it of foreigners. The ex-changers of money were in the habit of receiving it at a low interest, and loaning it at a high interest, taking the difference for their gain; Ezek. xxii-12. The practice of usury is severely denounced in the Scriptures; Neh. 5-7 to 10; Ps. xv-5; Prov. xxviii-8; Matt. 25-verses 24, 26, 27. These verses represent the character, habits and life of an interest, gather in all ages of the world, now as then.

In a speech delivered at Terre Haute, Ind., September 21st, 1878, Gen. Butler said: “We want another change in our money. We want it non-exportable. An American money for a free, enlightened and highly business people. We don't want it lengthened in France to thirty-nine inches when they want to buy and shrunk to thirty-six when they sell to us. We want it to be ours so that it may not be called for by anybody else. Therefore we do not want it of any value as commodity. That has been the trouble with our money from the beginning of the government. We have been the slaves of the money kings of Europe until the war took place. Then we had a currency of our own (greenbacks) and when there was a war between France and Germany and they wanted \$40,000,000 of our gold we sent it over to them and no man ever missed it so far as its effect upon business was concerned. The country is being eaten up with interest and usury; you know it; every business man knows it; you have been able to pay your 8 and 10 per cent or 12 per cent because you have been skimming your land of the cream and selling your crops, but you have grown no richer and the mortgages have eaten it up. There is no business under heaven that will allow 8 and 10 per cent. Interest is what is eating into the vitals of the people this day and

this hour. Why, my friends, God himself, from Mt. Sinai, amid the thunders and lightning of that awful day, sent down the law to Moses for His chosen people: 'Take thou no interest or usance from thy brother, but fear God.'"

THE FASHIONABLE DEFINITION OF USURY.

The following is an extract from an article in the *Christian Advocate*, by Rev. C. M. Morse. We call the attention of every minister and layman to the scoring he gives to such men as would squeeze 18 to 36 per cent interest from poor western farmers on mortgages, and then take the money to pay the top prices for pews in which to worship God. We ask ministers to read it and call the attention of their congregations to it:

"Under the present rule the discipline—'all which we are taught of God to observe, even His written word'—gives the sanction of the Scriptures to every case of foreclosure and sheriff's sale when the interest is not in excess of the legal statute. It offers no sympathy to the masses of mortgaged humanity who are making bricks without straw. It has no word of reproof for Christian men who send their money to western trust companies to be loaned out at from 10 to 50 per cent per annum. It makes an act which is righteous in California, a sin in Pennsylvania. It falsifies the word of God, and gives the moral support of the church to practices which Christ condemned.

"There is not a usurer—under the modern meaning of the term—in the land, who, when pressed, does not fly to the parable of the talents to justify his course.

"How is it that the meaning of the word has undergone such a radical change? From the days of Christ men have sought to live without labor: 'to sow without land, without rain, without plows.' Having possession of the one legalized medium of exchange, it was discovered that in the appropriation of the fruits of toil by the agency of usury or interest a man could live in luxury supported by his fellows. But the scriptural and ecclesiastical condemnation of the practice stood in the way. It was a tremendous obstacle in the path of greed, but after sixteen hundred years of conflict, covetousness conquered, and a compromise was made on the basis that usury did not mean interest in excess of the statutory provision. Now, instead of inquiring of Moses and the prophets, or studying the Sermon on the Mount, for the definition of scriptural terms, we ask the wise legislators, lawyers and courts, mostly attorneys of usurers, for a definition."

That the people who have money to loan would rather loan it to the Government than to any private bank or corporation is evidenced by the alacrity every popular loan offered by the government to the people since the war has been taken. At this writing, January 6, 1896, the bids have just been opened for the last popular loan of gold to maintain resumption (expensive farce) and the bids from over 6,000 different sources amounted to five and one half times the amount desired. If ever a postal banking system is established in America, the government will always have on hand enormous sums of the people's money at nominal rates of interest, which it can loan readily on the best of security for 3 per cent. The average rate of interest on deposits paid by banks is not over 2 per cent. No man would hesitate one moment between loaning his money to the government at 2 per cent and to a bank at 3 per cent.

CHAPTER XX.

DANGER FROM EUROPE.

One of the greatest dangers to the American republic to-day is the fact that our corporations have borrowed so many hundred millions, yes, billions of dollars from Europe that any moment these loans may be used as an excuse by the monarchies of the old world to interfere with our administration of national affairs as they have in Mexico, Central America, the South American countries, Turkey and Egypt. Only a few months ago French, British and German fleets were stationed off the coast of South America to demand of those countries payment of interest due and owing to European capitalists; from the same cause Turkey and Egypt are in the hands of the European powers bones of contention. Only last year (1895) a British fleet was in the harbors of Nicaragua and the red coats were landed at Corinto to force the collection of a few thousand dollars. The Lansing Republican had the following to say of the affair, May 4, 1895:

When one considers for a moment the supine attitude of the American administration in permitting England to land her forces at Corinto, it is at all surprising that the British government should now announce its intention of using force to compel Latin-American States which are in debt to English money-lenders to settle their obligations. Our Cleveland administration has offered an invitation to Great Britain to pursue similar tactics towards Central and South American republics in general, whenever she sees fit.

The sum which was extorted from little Nicaragua is comparatively insignificant, but the precedent established and the principle asserted and maintained by the landing of British troops on the soil of an American state, bids fair to be productive of far-reaching consequences. Great Britain should be plainly notified that she will not be per-

mitted to repeat on this continent the tactics which have practically added Egypt to her possessions.

The Monroe doctrine is not dead. It is in a state of suspended animation.

The English press had the following comments:

London, May 3, 1895. The Globe, in an editorial article on the Nicaraguan dispute, says: "Nicaragua must pay and apologize."

London, May 3.—Commenting on the Nicaragua affair, the St. James Gazette says: "If President Zelaya plays us false we will not only occupy Corinto, but will wipe off the map one or two other places with it. If any of the great powers had behaved toward Great Britain as Nicaragua did in the case of Mr. Hatch, we would have been at war with them before the end of a week."

The Republican is not alone in taking this view of the situation. The press of the country is almost unanimous on the subject. The legitimate conclusion is that a European fleet may at any time appear in New York harbor making the same demands as at Corinto. American corporations can never pay their debts to England under the present financial policy, but with a government postal banking system money would become cheap, or rather interest low, say 3 per cent, and our debts to foreign countries would disappear like mist before a noon-day sun. Chicago would become the commercial and exchange center not only of the western hemisphere, but of the whole world. The cable dispatches from Germany, February, 1896, say: "It is estimated that the budget of that country for 1896 will show a much smaller deficit than that of 1895, owing to the increased railway receipts due to improving trade." If Germany by government ownership of the railroads can support her government in part from their earnings, cannot the United States; cannot we also aid in support of our government by establishing a postal banking system and recovering to the Federal Treasury the profits now made by the banks.

The Industrial News of April 10, 1896, has the following:

Senator Allen, of Washington, introduced a bill which, if adopted, would carry out one of the demands of the

People's party. We give the full text of it below, but there is no prospect that the Republican Congress will pass it, as it is in the interest of the masses and not the few who are running both old party machines in the interest of the money and monopoly power. It is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That each and every money-order postoffice be, and the same is hereby, authorized and directed to receive on deposit lawful money of the United States, including national bank notes and the postal notes hereinafter specified, and to hold the same subject to the draft or order of the depositor; such deposits to draw interest at the rate of three per centum per annum and to be exempt from taxation.

Sec. 2. That money so deposited may be drawn upon by the Secretary of the Treasury to pay maturing obligations of the United States, to meet temporary deficiencies in the current revenues, and any surplus remaining may be loaned by said Secretary of the Treasury to States, counties, townships or the municipalities, on the security of their bonds, at a rate not less than three and one-half per centum per annum and to an amount not exceeding ten per centum of the assessed valuation of the realty assessed in such State, county, township, or municipality.

Sec. 3. That if any depositor shall demand his deposit, in whole or in part, and the postmaster have not on hand sufficient coin, Treasury notes and national bank notes to meet such demand, he shall issue such depositor the amount demanded in postal notes in denominations of one, two, five or ten dollars, as the depositor may elect, and such notes shall be full legal tender for all dues and obligations, public or private, contracted after the passage of this act: and when any such note is received at any post office, custom house or sub-treasury of the United States, it shall not be re-issued, but shall be sent to the treasury at Washington for cancellation.

Sec. 4. That the Postmaster-General shall cause to be provided the pass books, postal notes, checks and other blanks necessary to carry out the provisions of this act, and for this purpose the sum of — is hereby appropriated.

Sec. 5. That this act shall take effect and be in force from and after its passage.—Industrial News, April 10, 1896.

This bill should go one step further and provide that these postal banks should not only loan money to cities, states, counties and towns on their bonds as collateral se-

curity, but to farmers, merchants, manufacturers and all other classes on real estate mortgages and other satisfactory security. The News of the same date also says:

The average cost of electric light in 131 cities in the United States operated by private concerns is 5 cents per candle power. The average cost of electric light in 24 cities in the United States operated by public enterprise is 2½ cents per candle power.

If government can support highways, run electric light concerns and serve our people better and at less expense carrying our mails, she surely can do the banking business of the country for one-half, or less expense to the people, than it is now done by private corporations, and all the periodical panics we now suffer will be avoided. The reduction of interest alone to 3½ per cent by government competition would drive all national banks and other usurers out of their present nefarious business and convert them from idle gilded paupers to producers of wealth and beneficial members of society rather than the drones and leaches they now are in the hive of industry. As a result of a money system run by corporations, we had in 1895, according to Bradstreet's, 13,013 failures. The total liabilities of these defunct firms were \$158,800,000. A large per cent of these failures was in the western, northwestern and middle states. Why this is the case is easy to see. The money loaners are in the eastern states, the borrowers are in the west. If governments are of the people, for the people and by the people, why run them as of the corporations, for the corporations and by the corporations? Would not a national postal banking system allow us to let our gold go to Europe without a financial ripple, as we would have no use for it, all our money being based upon the securities of the people held in our postal banks for money loaned. Whenever the people paid their debts and taxes to the government the money would be redeemed and could be canceled unless the people desired again to hire it. A nation were willing to put up more property to secure it. A national postal banking system of loan and deposit would create automatic redemption and an elastic currency. The Coldwater, Michigan, Republican said that 400 Americans

went abroad the week ending May 25, 1895. Every last one of them probably bought a draft or express money order on some European city. If they took gold it would not have been missed had we then a national postal banking system. The gold would have been missed less than so many potatoes. With the present system, the people must loan from the banks at 7 per cent, while the banks get it from the government at 1 per cent, from time depositors at 3 per cent, and from commercial depositors for nothing. It is generally supposed that commercial depositors have their checks cashed in currency, but such is not the case. The debit and credit checks of all commercial depositors go through the banks and clearing houses and cancel each other, only the balances on the ledger are settled in cash or rather transferred to the next month's account; the commercial deposits are loaned out at usury by the banker the same as time deposits and circulation. Hence it is that the loans and discounts of all banks are nearly always up to the deposits. The reports of the American clearing houses show the cash balances not to be over 4 per cent of the average transactions. The banks, it is true, have to maintain a reserve fund, and banks of issue maintain a redemption fund with a government postal banking system, both these funds would be unnecessary. It is often asked "if the government issues all the money how will you get it out?" We answer, loan it to the people at a nominal rate of interest or tax instead of to the national banks, and take security on the farms and business enterprises of the people. Property that is a good security for a seven per cent loan would be better security for a three per cent loan. The security given for the loan will always be used in its redemption and always be behind it in the hands of the governments as a redeemer. To-day bank bills are redeemable in greenbacks, greenbacks in gold, gold in bonds, and bonds in the hands of the people. With the national postal banking system, the bank bills, gold and bonds will be useless, and the money will be based upon and redeemable directly in the property of the whole people.

CHAPTER XXI.

A BANK PRESIDENT'S OPINION.

Illustrative of the fight made by the banks against greenbacks as national currency, George S. Coe, President American Exchange National Bank, New York, in an address delivered before the American Bankers' Association, August 7, 1879, said: "At present the bank notes of all the national banks rest upon other notes, for which it is assumed we can obtain coin if wanted. Now, what is the use of that superfluity and complication in the financial machinery. It would be a very illogical arrangement, if we had to make it anew, that one note should rest upon another note, and that note upon something else. If that plan be a sound one, as I said before it is very illogical. The fact is, gentlemen, it is not a sound one, and we all know it is not; therefore we might as well confront the question honestly and fairly now. One or the other of these two classes of circulating notes ought to be superseded. There is no evading that conclusion, if we honestly bring our minds to the subject. If the bank notes now rest upon other notes and those again upon a reserve of coin particularly exposed to the vicissitudes of foreign trade, why not dispense with one class of circulating notes and let them all be of the same issue?" We agree with Mr. Coe that the paper money of America should all be of the same issue, but we also claim that that issue should be national greenback legal tender currency loaned to the people on suitable security direct from the government. Such is the cheaper and more useful form of currency. Mr. Coe in the same address tells us what the money of the world is. He says: "During the last year (1878) the exports of the United States were some seven hundred millions, and the imports some four hundred and fifty millions. The difference was between two hundred and fifty and three hundred millions, and it has been so for two or three years in succession. The property represented in those large sums did not pass by means of money. There was almost no money used in it. What was the operation? Ships sail-

ing to and fro upon the ocean carried great cargoes of the various productions of the United States, and brought back in return the products of every other clime. By what means were those large changes of property effected? By simple pieces of paper, not in any sense money, but by instruments which we call bills of exchange. Now, it is perfectly clear that such bills of exchange are the currency of the world. They constitute the currency of the larger denominations by which the world's wholesale business is transacted. That we all know. But what does that currency rest upon? What gives it value, and by what means is it secured? Upon the ships, upon the cargoes which go to and fro, and against which the bills are drawn. If any of you require a bill of exchange, and wish to know of a surety that it is true and genuine, and absolutely guaranteed to be so, you will say to the gentleman who comes to negotiate it: I am not certain that you have shipped a cargo against which you draw this bill, and in order to secure your fidelity, I demand that you give me a bill of lading of the goods shipped. This I will attach to the bill of exchange to which the transaction belongs. That is the basis of the whole operation. In other words, some form of useful industry constitutes the sum and substance, not only of that paper, but also of the whole world's commerce, and thus business continually goes on, not by the use of money, but by goods exchanged among mankind which are useful and necessary for human life. Such bills of exchange are really the world's currency."

While writing this article, a gentleman well informed on most subjects, in fact, a scholar, came into my study and said: "The opponents of silver remonetization are arguing that if unlimited coinage of silver is established in this country foreigners will dump their silver on our market, have it coined, buy bills of exchange and take our gold abroad. We answer: The American silver dollar has $371\frac{1}{2}$ grains of silver, 41.25 grains of alloy; total weight of dollar, $412\frac{1}{2}$ grains. The gold dollar has 23.22 grains pure gold, 2.58 grains of alloy; total, 25.8 grains. Sixteen to 1 means that in America it takes 16 grains of silver to equal 1 grain of gold. In Europe $15\frac{1}{2}$ grains of silver equal 1 grain of gold. Europeans would not dump their silver on our market, because they could not do it except at a loss. At home they can get 1 ounce of gold for $15\frac{1}{2}$ ounces of silver; in America they would have to give 16 ounces of

silver for 1 ounce of gold, thus sustaining a loss of $\frac{1}{2}$ ounce of silver on every ounce of gold they purchased, besides the loss of express, insurance and assay charges to and in America. By purchasing bills of exchange with silver they would not necessarily get gold for them. Appleton's Commerce Cyclopaedia says " a bill of exchange in commercial transactions is a written instrument designed to secure the payment of a distant debt without the transmission of money, being in fact a setting off or exchange of one debt against another." Its basis is mercantile integrity or "bills of lading" of goods shipped. The bills of exchange, like bank drafts, are used to avoid the shipment of money and are paid, if cashed, in the current money of the nation against which they are issued by the drawee to the payee. The maker of the bill is called the drawer. Oftentimes bills of exchange pass through several hands, which may be either by successive indorsements specifying to whom payment is to be made or by what is called an indorsement in blank, by which is meant that the payee or the subsequent holder to whom the bill has been indorsed merely writes his own name on the bill, which is equivalent to making it payable to bearer. The most important incident of a bill of exchange is its negotiability, that is to say, facility of transfer from one person to another. The object of bills of exchange is not to transfer gold, or in fact any kind of money, from one nation or merchant to another, but to avoid so far as possible the shipment of any kind of money. Bills of exchange are in fact the money of the world. For the purpose of dealing in this commercial paper there has been erected a building in New York, an imposing marble front in Broad street, near Wall street, devoted to dealings in this kind of commercial paper. There is such a place in London, Amsterdam, Paris, Berlin, in fact, in all the larger European cities these mercantile exchanges date back to the sixteenth century; yet, while the great commercial world moves on doing the world's business in paper, mercantile paper, the voting sovereigns of America, most of them so poor they never saw a bill of exchange and never will, are trembling in their partisan shoes for fear the

wheels of commerce will be stopped if silver is remonetized or gold demonetized. Such dense ignorance almost leads one to the conclusion that Hamilton was right and the masses ought not to vote. If the partisan people spent one-half the time trying to inform themselves in an unprejudiced manner upon the financial question they do in framing excuses and reasons for the misdeeds, blunders and crimes committed by the parties to which they respectively belong, we soon would have a better governed country, devoid of panics, and a happier people. It is said that the Jews of the middle ages first introduced bills of exchange into ordinary use, and this is entitled to credit, inasmuch as the frequent migrations and spoliations to which they were subjected in those times of persecution made an easy transmission of wealth and its safe keeping in foreign countries almost a necessity. Bills of exchange were devised from the first to transfer wealth without transferring commodities, whether gold, silver or other things. Bills of exchange are now under control of statutory law in all the civilized nations of the world. They are the world's money. The commerce of the world is barter now as it always has been. The balances of the trade are transferred from merchant to merchant, from city to city, and oftentimes from nation to nation by bills of exchange. If the balance is against New York in London, she is paid by a bill of exchange on Paris, Berlin, Rome or Vienna, in one of which places the balance is in favor of New York. The balance of trade cannot at long time be against us, if so importation will cease, for no nation can continue to buy more than she sells, else she would have nothing with which to pay. Gold and silver, when shipped, goes as a commodity and is also part of a transaction of barter against which a bill of exchange may be drawn as against anything else. Whenever the imports and exports of a nation become relatively disproportionate, exchange is said to rise or fall. That is, commercial paper for or against a certain place rises or falls, at a premium or a discount. This is not only true as between nations, but is true as between cities of the same nation. There is in America a system of inland exchange

the same as foreign exchange. New York exchange is generally at a premium because of the enormous sums of money sent east by western borrowers in the shape of interest on capital borrowed. However, in harvest time exchange is generally in favor of Chicago, because of the immense sums of money sent west to move crops. It ultimately finds its way back to New York and Boston in payment of interest on money dividends on railroad stocks and insurance rates, which latter are an enormous drain upon the energies of the people without adequate compensation. The inland exchange issued by banks is simply the selling of their credit or the loaning of it at enormous usury. The express companies of the world have created a new kind of exchange called express money orders. Such orders are now issued by American express companies, payable not only in America, but in all the nations of the civilized world. These orders are cashed in the current money of the country where payable. As evidence of this the following advertisement appeared in the Detroit Tribune, Dec. 24, 1895:

American Express Company—Safety and Dispatch.—Travelers' cheques for use of travelers and tourists abroad. More economical than letters of credit and are payable everywhere. Cheques issued for printed amounts: \$10, \$20, \$50 and \$100 with equivalent of each denomination in the money of the principal European countries. If you are going away, call or write for particulars. Charles F. Reed, general agent.

Here we are in the presence of the fact that there is a system of merchant exchanges established all over the world doing business on mercantile money called bills of exchange. A league formed by express companies issuing these credits called money orders that are cashed all over the world and exacting pay from the people for their use, yet this great nation that is a member of the International Postal Union of the world can't exercise the rights, privileges and powers exercised by individuals and corporations within her borders. Merchants and express companies get along on bills of exchange and money orders of paper, but this nation that as a nation has no use for

money to send abroad must have on hand large deposits of gold and gold alone, that and nothing else, a victim for shylocks and gold brokers like the Seligman Bros., Lazard Ferris and bond speculators like the Rothschilds. The resumption act should be repealed, then no occasion would arise for paying out coin from the treasury. Of all black Satanic frauds, the resumption act is even worse than silver demonetization. The people have too long been deluded into the belief that they must have a little pile of gold or coin somewhere behind their paper issues. All the banks of Europe are compelled by law to maintain a reserve of this pot metal. When one of these banks from any cause sees its reserve in coin run below the legal limit, it at once offers a quarter of a per cent premium for the stuff; then some good shylock from New York draws a million from the treasury, sends it across the water and pockets the premium of one-quarter of one per cent, the handsome sum of \$2,500. No coin crosses the water except to supply or replenish bank reserves and occasionally, though seldom, as a commodity to settle balances in exchange. There is no money of the world except mercantile paper and express money orders. We know from personal experience, however, having been there and tested it, that in many of the seaport towns in Europe money brokers charge travelers who are coming to America a premium for greenbacks and silver. The gold cry, honest money cry and money of the world cry is raised by bankers and usurers, because, knowing there is not enough of it in the world to supply any one nation, a substitute of some kind must be resorted to and so long as they can have their bank bills used as that substitute, they can monopolize all the surplus wealth of the world and controlling the finances of the world, they control the destinies of nations. When a nation becomes monopolized by a few wealthy men and corporations and its fiscal and foreign policy is dictated by them and run in their interest, as ours and all other civilized nations are, then it is time and high time to talk of revolutions and counter revolutions, to be accomplished peacefully if possible,

but forcibly if necessary. The queen's privy council founded the South Africa Company and its stockholders are England's nobles. They use the British Empire and people as instruments for private gain. They plunge the nation into South African war to protect their commercial interests. The government of England is a government of monopolies. The United States is a close second in all the colossal villainies which have been set by their ancient mother. The people are no longer free; they are corporation slaves.

Mr. Coe continued his address before the bankers' convention as follows: "Having thus shown the operation of currency for international trade, let me make another illustration for the home market. The other day, with the president of this association, I went into the New York Clearing House and while there the morning exchanges between banks was going on. We saw pass through the hands of the bank messengers, within the space of about ten minutes, pieces of paper called bank checks, representing eighty-seven millions of dollars. These 87,000,000 of dollars, what were they? The exchange of industry, property and things, which had occurred in the City of New York, through all the banks the day before. There was not a dollar to be seen in all this, but after those exchanges were made up, there appeared to be two classes of banks—one a creditor class, which had given more property than they had received, and the other was a debtor class, which had given less. And the difference between these two classes was some five millions of dollars, which sum had subsequently to be paid in money. That was all the actual money needed for that great transaction. Now the same suggestion I made a moment ago, I now make in respect to these instruments of internal commerce. The checks and papers passed between those banks were internal currency and they, like the foreign exchanges, were based upon the actual transactions passing through banks and by them through their dealers, the community at large, the day before. And I now state this as an undeniable axiom."

Two facts Mr. Coe makes clear: First, the money of the world is bills of exchange and the bulk of our internal or domestic money is checks and drafts. Second, he makes plain that this bank currency is a species of credit and credit only, hence we can but conclude that the banking

system is the mother of the credit system. A credit system is a usury system and as usury is death, the present banking system is little else than a national pestilence. All currency finds its way into the banks and is repeatedly loaned and reloaned, while the business of the people is transacted by means of checks and drafts which makes the present banking system a monopoly controlling all foreign and domestic commerce, having power to contract or expand business at will as it may choose to contract or expand its loans and discounts. It absorbs the wealth of the country as a sponge absorbs water. As an illustration of its immense advantage for gain, read an extract from the report of the late Hon. Wm. H. English, a Democratic candidate for vice-president, retiring president of the First National Bank of Indianapolis: "I congratulate the officers and stockholders of our enterprise. The bank has been in operation fourteen years under my control, with a capital stock of \$500,000. In the meantime it has voluntarily returned five hundred thousand of capital stock to its stockholders besides paying them in dividends \$1,496,250, a part of which was in gold, and I now turn it over to you with a capital unimpaired and \$327,000 of undivided earnings on hand. To this may be added the premiums on United States bonds, at present prices, amounting to \$36,000, besides quite a large amount for lost or destroyed bills." Total amount of profit in fourteen years on half a million dollars capital, \$2,383,250. That man must be blind who cannot see whose interest is most deeply involved in the present struggle to destroy the greenbacks and silver and give to the national banks the exclusive monopoly to furnish the paper currency of the country on a bond basis with gold as a blind and a makeshift. Retain and establish the greenbacks as the only paper money of the country, pay the bonds and demonetize gold and you reduce the banker and bondholder to a business level with the rest of mankind. This would be justice and freedom for all. Fail in doing this and the banks will become so entrenched in power that nothing short of a bloody revolution will dislodge them. E. Moody Boynton, of Massachusetts, says: "There is practically but one railway, costing \$3,000,000,000, controlled by four men; but

one bank, possessing over \$2,000,000,000, obeying the bidding of one man; but one telegraph, controlling 200,000 miles of watered stock and with the Rothschild stock controlling the cable lines to the borders. Every avenue of public thought, private information or commercial enterprise is at their mercy." With such power to create a panic like the present one (1893) is but a periodical business enterprise to absorb the productive wealth of the nation. Oliver Cromwell, fresh from his great victory at Dunbar, wrote to the British Parliament, "Make wise loans; relieve the oppressed; hear the groans of poor prisoners; be pleased to reform the abuses in the law and all the professions; and if there be any that tend to make many poor and to make a few rich—that suits not a commonwealth." On the 16th day of January, 1894, Mr. Chittenden testified before the House Banking and Currency Committee as follows: "I believe of those 1,900 national banks there are not two-thirds of them sound to-day. I mean not two-thirds in number. In the vast proportion of them the capital is very small. I know, for instance, how one national bank was established, and I presume there were hundreds established the same way. I say I know a national bank of \$100,000 capital whose broker in New York purchased \$100,000 in government bonds and paid for them. The owners of the bank furnished the margin between the 90 per cent in currency, which they were allowed on the deposit of the bonds and the cost of the bonds, and that margin was all the capital that was ever put into the bank. The broker sent the bonds to Washington, got his 90 per cent on the dollar in currency, and got the margin from the gentlemen who established the bank. That bank, in the late crisis, was one of the first to suspend, but resumed shortly and is going on again as before. It has a banking house which cost over \$30,000. It is the duty of the government to provide an absolute safe currency. * * * I assume that a large proportion of the banks are unsound." Speaking of Merriam's bill, he said: "It proposed a method for the practical redemption of this rotten, unredeemable, ragged (bank) currency in legal tender" (greenbacks). The repeated and constantly increasing failures of all kinds of banks and their failure by hundreds in panics like that of '73, '81 and '93, are sufficient proof of the statement of Mr. Chittenden. It is a known and well established fact that many banks are

organized by men interested in manufacturing and speculative enterprises for no other purpose than to furnish loans to such business ventures. Banking is largely resorted to to secure the deposits of workingmen and the public generally to bolster up the schemes of their promoters in towns where the banks are situated. The writer is acquainted with a national bank in Maine organized by a few shoe manufacturers without one cent of capital. Not even the \$10,000 margin. It was accomplished in this way: A savings bank was first established, where the workingmen in the shoe factories were graciously allowed to deposit their savings. Then the shoe manufacturers who run the savings bank authorized their broker in Wall street to buy them \$100,000 in bonds, which he did and deposited them with the United States, receiving therefor a national bank charter and \$90,000 in bank bills. With these bills and \$10,000 furnished by the shoe manufacturers who run the Maine savings bank, the bonds were paid for. The \$10,000 was taken out of the savings bank and the latter was given \$10,000 of the national bank stock therefor. This national bank had in Washington \$100,000 in bonds and was drawing interest upon them in gold; it had a national bank charter and was receiving commercial deposits and doing a national banking business in Maine and the capital it organized with was furnished, \$10,000 by a savings bank and \$90,000 by the government. The savings bank and national bank men both run in the same building and in the same room and both were established only to furnish money to run several shoe factories in the city where situated. We know five men who in a western state put \$20,000 each into a common fund and purchased \$100,000 in bonds and started a national bank. They, of course, received with their charter \$90,000 from the government; to this they added an additional \$10,000 and bought another \$100,000 in bonds and established another bank. With this charter they received \$90,000 from the government, to which \$10,000 was added as before and another bank established and

another \$90,000 was received from government. These five men had invested in the banking business now \$120,000. They had three banks with a \$100,000 capital each and \$90,000 in bank bills to do business upon. One of these banks was afterwards made a government depository. The president of another signed the bonds of the state treasurer and received the state's deposits and the third became the general depository and fiscal agent of the city and county in which it was situated. Who wonders that such a robber system will resort to revolutionary measures to perpetuate its existence and destroy all competing currency whether coin or paper. The Detroit Journal, of August 23, 1893, in reporting Senator Voorhees' speech of the day before in the Senate, said: He said that every dollar which tended to make the people independent of the banks, of usurers and taskmasters was looked upon with aversion. Even the pension rolls of the government—those records sacred to the blood and tears of millions—shed for the existence of the American union, had not escaped determined and vindictive assault. The fact that the amount of money in circulation is largely increased every three months in the year by the payment of pensions, that it is done without the agency of the banks and beyond their control for fluctuation, has excited the open and bitter opposition of the great money centers from the very beginning of our present pension system. The charge made of fraudulent pensions was simply a continuation of what had been heard from the start and had been the same inspiration as in former years. It was the question of money, however, and not the question of fraud, which provoked the greatest wrath in certain quarters on the subject of pensions. Mr. Voorhees said that it was clear to his mind that pension money, amounting to over \$160,000,000 per annum, perhaps, and going everywhere, was one of the greatest sources of relief now left to the people in the way of currency, independent of the contracting, retiring power of the banks.

We notice since the above speech was delivered that the pension department has decided to pay the soldiers'

pensions in checks; thus the banks have at last got control of the soldiers' pension money.

The contracting influence of the banks was so great by withdrawal of loans that the City of Detroit in August, 1893, offered \$450,000 of school bonds in small denominations with coupons attached for sale to circulate as money.

The Detroit Journal of August 23, 1893, said: The \$450,000 school bonds, which will be offered to the public of Detroit very soon in the shape of \$25 bonds, are better than the five pound notes of the Bank of England, as they have over two hundred millions of security behind them, which is more than the Bank of England has. The Bank of England note is good beyond a question, but it does not compare with our Detroit city bonds, because our bonds are to draw interest and Bank of England notes do not, and besides are to be payable in gold.

By careful inquiry the Journal fails to find a business man or merchant in the city who will not gladly take these bonds in payment for merchandise as freely as he would currency.

The bonds will divide into 18,000 bonds. On each bond there will be 60 coupons, or 1,080,000 little bits of paper. These coupons will be each worth 50 cents shortly before they become payable, for each bond will draw 4 per cent interest, or 50 cents each six months.

It is believed by Mayor Pingree that not only will these bonds be purchased eagerly by the people, thus drawing hidden money into circulation, but that the bonds themselves will be used in effecting exchanges and will therefore act as currency.

Ex-Senator Thomas W. Palmer the same day to a reporter of the same paper, said: "People in the east think the money stringency is relaxing and that we will have plenty of money in a short time;" as a result of the panic he also said, "We will be able to manufacture more cheaply and to export in competition with foreign nations. This will affect everyone favorably except those who are in debt. The farmer who is out of debt gets everything cheaper; only hardship will be upon those who are in debt." Let the reader bear in mind that here is a panic caused by contraction. The contraction is caused by the withdrawal of bank loans. The banks thus, with malice aforethought, reduce the price of every bushel of grain, bale of cotton, pound of iron, acre of land, bale of

goods and all else labor produces one half. They increase thereby every bond, mortgage, debt and salary of every official in the same proportion. This is more than buccaneering, piracy or robbery. It is wholesale conquest. The banks have the power and do periodically visit upon the land by universal contraction of their loans financial pestilence, famine and war.

The Chicago Inter-Ocean, of August 19, 1893, contained the following:

St. Louis Globe Democrat: The Governors of one or two of the western states are considering the propriety of calling their legislatures together for the purpose of passing a law for the stay of executions, owing to the financial stringency. In this immediate section there is no necessity for action of this kind, but it would be well for the banks to consider the policy of gradual easement in the matter of loans to good customers. Heretofore, since the beginning of the stringency, a conservatism almost prohibitive in its character has governed these institutions. They have protected themselves and their depositors at the expense of their borrowers, and greatly to the damage and hindrance of public and private business. All signs tell that there is no longer any necessity for extreme rigidity, and that the time has come when there is safety within the line of reasonable accommodation. The public owe much to the banks, but the banks owe much to the public. All that is asked of them is that they be as liberal as their circumstances and conditions will admit.

The people who, under the Constitution, have the right to coin or issue money and regulate the value thereof, have delegated that power to corporations with the above result. Now they are beggars at the feet of those same banks for mercy. Our prayer is, merciful heaven open the eyes of the people, the voting people.

The banking system of to-day is the enemy of all progress. By bank contraction every man who owes a dollar in debt must give at former prices 200 cents worth of property or labor to redeem it. It is the same as if a farmer gave his note for 100 pigs and when the note came due the president, as in the case of the silver dollar, decided that to maintain a parity between pigs the farmer should pay his note in the largest hogs to be found in the country. So dishonest was this bank scheme to rob

the debtor classes that the Republican State Convention of Iowa in August, 1893, inserted the following plank in its platform:

That for the relief of the people to get stability to business and security to debtors and creditors alike, the law should provide that the payment of debt shall be the return of equivalent purchasing power, estimated by land-rent interest and the wages of labor, so that the creditor shall receive no less and the debtor mortgagee, or other, shall have to pay no more than the purchasing power that passed from the creditor to the debtor when the debt was contracted.

So great was the contraction of loans by the banks that for the single week ending August 19, 1893, the clearing house table, outside of New York showed a decrease of 32.2 per cent over the corresponding week of 1892. The banks simply wilfully decreed the panic and it came. In view of the fact that ex-Senator Palmer thinks it brought hardship only to farmers who are in debt, the following editorial, published by the New York World shortly before the panic, is quite interesting reading. It is as follows:

"No one familiar with the conditions of life in the agricultural regions of the United States can be surprised by the statements which were made by General Butler in his recent speech on the Farmers' Alliance. There has, however, been some disposition manifested to question General Butler's statistics. It is asserted that he exaggerates when he says that the farm mortgages of the country amount to 'the stupendous sum of \$3,450,000,000;' that Senator Stanford's proposed loan of \$3,000,000 would enable the western farmers to pay about two-thirds of a mill on the dollar on their mortgages, or the interest on them for five days; that the farm debts of the country exceed the public debt at the end of the war. Whatever else may be said of General Butler, he has a way of keeping himself supplied with hard, gritty facts.

"The truth about the husbandmen is the saddest that can be told of an American citizen. Tax-ridden, oppressed, the victim of federal laws enacted for the enrichment of favored manufacturers, the farmer is carrying on a business which every year plunges him more deeply in debt. Gen. Butler was correct and moderate in estimating that \$124,000,000 of Illinois farm mortgages

in 1887 have increased to \$134,000,000. It is known to be a fact that the tendency of the times is toward tenant farms.

"So much for General Butler's statistics. So far from being really exaggerated, they do not tell the whole of the dismal truth. Hundreds of farmers, unable to live by tilling the soil, have simply abandoned their farms in Virginia. Fertile lands in Westchester County, within twenty miles of New York, do not pay their expenses. If a first-rate western farmer, well stocked and appointed and unincumbered, were to be given a careful farmer, in three years it would bring him in debt at present prices for farm products. Farm lands throughout the country are depreciating in value. The city man who goes home to visit his father's farm finds it worth less than it was when he was a boy. Then the land afforded comforts and luxuries to the family and high education to the children. Now the crop and the stock bring the owner into debt.

"Gradually the husbandman is being driven to the wall. Not many years ago he was the incarnation of the independent American citizen. It was his sturdy patriotism which has preserved our Republican institutions. He shouldered the musket thirty years ago and saved the Union. Now the government is repaying him by taxing him to death, giving him a pittance by way of pension, when he is disabled, and making him a beggar.

"What is it all to come to? Simply this, that the laws of the country are degrading the farmer. Even now he can make both ends meet only by laboring from morning till night, living on the coarsest food, foregoing comforts, bringing up his children without education, dwelling among his beasts of burden, which alone are less miserable than he. Zola's story is terrible and repulsive, and it tells the truth about the French peasantry. It is to such complexion that our own laws and the trust conspirators are now driving the once independent and prosperous American farmer."

While this bank panic was going on, one law firm in Southern Kansas had commenced foreclosure on 1,800 farm mortgages; at the same time the Chemical National Bank of New York, whose capital stock was \$300,000, was quoted as worth \$18,680,000 and was selling at \$4.560 per share—par value \$100. Its surplus was over \$6,000,000; its deposits 25,000,000. It pays in dividends annually \$450,000, a dividend of 25 per cent being declared every two months, making a total of 150 per cent a year. In 1881

the First National Bank, of Portland, Me., put out a sworn statement. Its capital then was \$800,000 invested in bonds. Its circulation, furnished by government at 1 per cent, was \$720,000. Its deposits were \$1,108,380.96. Its undivided profits \$377,158.51. This bank, on an investment of \$800,000, was drawing interest and having use of \$3,005,539.47. In 1886, while this bank was still increasing its profits, over 400 Knights of Labor were under arrest in our state alone for going on strike for living, wages.

O God, that bread should be so dear
And flesh and blood so cheap!

—Hood's "Song of the Shirt."

Under the head "Starvation in a Great City" a New York daily paper of April 4, 1896, says the following editorially:

Only a day or two ago a man staggered into Bellevue hospital in a helpless condition with the story that he was starving for food. He had wandered about the city for four or five days begging for something to eat without finding relief and was directed by a policeman to the hospital. When his condition was ascertained, he was treated carefully and humanely, but aid came too late. He failed to rally and died on the day after his admission a few minutes before his cousin, a well to do woman, called to claim and assist him.

Yesterday Albert S. Hall, a white-haired, respectable looking man, 50 years of age, was a prisoner in the Harlem police court. He had applied for a night's lodging the previous evening at the West One Hundred and Twenty-fifth Street Police Station and had been refused under the recent order of Chief Conlin. So he went out, broke the window of a shoe store near the station and stole a pair of slippers. He committed a crime to obtain a night's rest in a cell.

Hall told his sad story to the magistrate yesterday and was committed to the workhouse. The magistrate could not understand why such an intelligent and seemingly respectable man could not find something to do. "I could not either," said the prisoner, "until I had walked the streets day after day and night after night looking for employment until the last cent I had was gone."

What stories these are for the millionaires of the city to reflect upon! What a condition of affairs do they reveal for our city authorities to study! One man dying for want

of food in the streets, another driven to crime to break his way into a station house cell for a night's rest refused to him while innocent of all but poverty!

The above is not quoted because of the starvation incidents. These have been so common during the war for supremacy of gold that they are read with about the same feeling that one reads of thousands killed in battles of shot and shell. They seem to be taken as a matter of course. This very paper usually publishes stories of starvation, of "suicides caused by despondency from failure to get work," of "thefts caused by hunger or to obtain a lodging in prison," without editorial comment, and devotes its editorials to advocating a sort of "sound money," which is largely responsible for just this ghastly condition. What I wish to have noticed is that "the magistrate could not understand why such an intelligent and seemingly respectable man could not find something to do, nor could the prisoner until he had walked the streets day after day and night after night looking for work." Perhaps even now that magistrate and that prisoner do not know "why" many "intelligent and respectable" persons can find no opportunity of earning a living, but it is something if they have become convinced that such is the fact. One who has long been aware of it cannot fail to think of Rip Van Winkle, who slept for twenty years and on waking up was surprised at things which were plain enough to people who had kept their eyes open and knew what was going on.

CHAPTER XXII.

CHEAP DOLLARS.

The fight of the banks against greenbacks and silver and in favor of bank notes based on gold has made dollars so dear, costly and hard to get that while dollars will buy anything in the shape of property, property will no longer buy dollars. In an effort to get a few a "sound money" grocer in Lansing, Mich., published the following advertisement during the summer of 1896:

ONE DOLLAR GETS THE GREATEST BARGAIN ON EARTH.

1 lb. Coffee, Lion, Arbuckle or Combination.....	3c
3 lbs. H. & E. granulated sugar.....	5c
1 lb. good raisins	1c
1 lb. Carolina rice.....	1c
3 lbs. hand picked beans.....	12c
1 lb. corn starch	8c
½ lb. pure ground pepper.....	15c
1 can tomatoes	9c
1 lb. new deal baking powder.....	15c
½ lb. Japan tea	25c
1 lb. bulk starch	5c
1 bar Lenox soap	1c

One dollar buys this entire bill of George A.——

Well, no matter, the name is not worth mentioning, he is only one of thousands of poor, deluded merchants who, Rip Van Winkle like, have been asleep for 20 years and don't know the money they advocate is so sound it is never seen or felt, only heard of.

The writer has a friend in Leslie, a traveling salesman before the panic. He quit his position and invested his capital in a clothing store. But silver demonetization and gold appreciation made currency so scarce that one silver

dollar even would buy so much of his goods he found the business less profitable than being a traveling salesman on a salary and has returned to the road. He owns a \$6,000 farm at former prices, but it will not sell for \$3,000 at present prices. Yet he cannot learn there are no cheap dollars in this country and silver dollars cost more every day when bought with property or labor. He who calls the silver dollar a 50 cent piece does it to hide the fact he wants a 200 cent dollar. It is the old cry of "stop thief," by the man who did the stealing.

Much is now being said about cheap dollars. There are no cheap dollars. The Republican financial crimes or blunders for the past 30 years that are now being put in force by a Democratic executive in conspiracy with Republican political bosses have made all dollars, whether silver, gold or paper, so dear, so expensive, so "honest"? The public credit has so often been strengthened by legislation in the interest of the classes and against the masses that all dollars are so dear, even paper dollars with not a mill's worth intrinsic value, that it takes 200 cents' worth of property at former prices to buy one. The writer has property in five different states of the Union. He will now (1896) sell for half what it cost in the same dollars five years ago and take either silver, paper, or that golden relic of barbarism now called the "honest"? dollar for his pay, as bank bills will pay taxes, though not dollars—only notes—that syndicate currency even, will be taken in payment. The whole country now has a great demand for legal value dollars, not commercial value or intrinsic value dollars. It has a demand for dollars that will pay debts and taxes, knowing that when these are paid the wheels of industry will start, and not until then. If it is true that demand and supply regulates value, the demand for debt-paying, tax-paying and revenue-paying dollars is so large and the supply so inadequate, that regardless of commercial or intrinsic value any legal tender dollar has never been sought after with such avidity, and so much property offered to get one as now. If there ever were any cheap dollars, the demand for

the use of all legal dollars at the present time with which to pay our enormous debts and constantly increasing taxes and revenues has made their use forever impossible in future. The only qualities they require is full legal tender and receivability in all taxes and revenues.

The following from the Lansing Republican shows how the veterans of the war were treated in the panic of 1893. These are honest money victims. Dollars had become so "sound," so "honest," so hard to get for want of them.

Bay City, Mich., Sept. 23.—In a two-room shanty in the suburbs of the city, foul with the gathered filth of weeks, the dead body of Mrs. Clara Hosmer was on Monday found lying on the bed, where her helplessly crippled husband has lain for years. She had been attacked with fever several days ago, and with no one to nurse her had literally, so the physicians say, starved to death. The husband, too, is also in the throes of death from lack of food. He is scarcely able to speak, but says over a week has elapsed since anything passed his lips. He is a veteran of the war, but, in spite of wounds that made him a helpless cripple, has steadily refused to apply for a pension.

He was a patriot. Contrast his refusal to ask the government for a pension with the demands of the bankers who formed a conspiracy against the government and her paper issues or greenbacks in 1862. Who then showed a disposition to see the stars and bars float from the dome of the capitol, and Jeff Davis in the White House, rather than lose their chance to speculate in the government credit and buy bonds as low as 33 cents on the dollar in coin; which by the credit strengthening act and funding bill were raised to one hundred and ten cents; and by the demonetization of silver raised to 128 cents and made payable, principal and interest, in gold. When the bankers begun this conspiracy during the war and the doings of the conspirators came to the ears of Lincoln, he said: "I wish their devilish heads were cut off." This is given on the authority of Mr. Carpenter, the artist, who was in the White House at the time and painted the "Signing of the Emancipation Proclamation." He heard the remark and noted it in his diary. We have seen it published in the Kansas Commoner and other papers. It is an established fact that the banks

control the volume of money in circulation. James A. Garfield once said: "Whoever controls the volume of currency is absolute master of the industry and commerce of a country." Salmon P. Chase, Lincoln's Secretary of the Treasury, said: "My agency in procuring the passage of the national bank act was the greatest financial mistake of my life. It has built up a monopoly that affects every interest in the country. It should be repealed. But before this can be done the people will be arrayed on one side and the banks on the other, in a contest such as we have never seen in this country." That contest is now upon us. The banks are on the side of "honest" English (gold) dollars. The people are on the side of honest American (silver) dollars. Abraham Lincoln once said:

"But I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. As a result of the war, corporations have been enthroned, and an era of corruption in high places will follow; and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people, until all wealth is aggregated in a few hands, and the republic is destroyed. I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless."—Abraham Lincoln.

When the credit strengthening act was passed a grave question arose as to its constitutionality. Concerning that and the resumption act Benjamin F. Wade wrote:

Vice-President's Chamber,
Washington, Dec. 13, 1867.

"Yours of the 8th instant is received and I most cordially agree with every word and sentence of it. I am for the laboring portion of our people. The rich can take care of themselves. While I must scrupulously live up to all the contracts of the government, and fight repudiation to the death, I will fight the bondholder as resolutely when he undertakes to get more than the pound of flesh. We never agreed to pay the 5-20's in gold; no man can find it in the bond, and I never will consent to have one payment for the bondholders and another for the people. It would sink any party, and it ought to. To talk of specie payments or a return to specie under present circumstances, is to talk like a fool. It would destroy the country as effectually as a fire,

and any contraction of the currency at this time is about as bad. But I have not time to give my ideas in full.

BENJAMIN F. WADE.

CAPT. A. DENNY, Eaton, Ohio.

No matter what administration has been in power, the financial policy of the government has been the same ever since the bank act passed Congress. Then the conspiracy began.

Extract from the speech of Senator Stewart (Republican), in the United States Senate, May 1st, 1888:

"The President has exerted every power conferred on him by legislation, dictated by a great money trust, to confer enormous privileges on a favored class of money changers. No class of men on earth ever possessed such privileges before. To-day the national banks are using over 3,000,000 of the people's money without paying a cent of interest. The administration speculates in bonds, putting the premium, while the farmers are crushed to the earth without money to pay their mortgages. I want to avoid doing anything unkind of this administration. It is following in the footsteps of Republican administrations. It has been the policy of the gold contraction party, the bond absorption party, the grand money trust of this country, which dominates both political parties to contract money, enrich the bondholders and impoverish the people."

* * * * *

The time will come when the voice of the people will be heard and somebody except an agent of an overgrown monopoly will be in the Treasury Department to act for the interest of the United States and not to do the bidding of Great Britain to destroy our prosperity, to ruin our products, to depreciate everything produced here, to increase the wealth of bondholders in England and bondholders in the United States and to augment the wealth of England's possessions and break down our own. We will some time—when it will come I do not know, but the time will come when we will have an American policy, when we shall have somebody at the head of affairs who will hear the voice of all the people.

During the last thirty years it has not been a question of willingness to serve the gold and bank gamblers on the part of either old party, but simply a question of which had the greater ability to serve them. Cleveland has been found the greatest Caesar of them all. He has the heart and conscience of a Nero and no more feeling

and sentiment than a great fat, old and warty toad. He is the great Democratic juggernaut. Democratic pilgrims are daily sacrificed under the wheels of his carriage. He is absolutely rolling over the party by too willing execution of Republican laws created in former years. When he acted to retire and burn greenbacks and issue bonds in their place passed Congress in April, 1866, prices commenced to go down. Each succeeding administration whether Republican or Democratic, has left the people poorer than the preceding one. They are now waking up to the fact that it is not a question of tariff but finance. In a speech on the beef trust in the Senate in 1888, Senator Plumb said:

"For years the price of cattle had been going down. They had gone down fifty per cent. In the same time the price of meat to the consumer had gone up and every single dollar of the difference had gone into the pockets of that combination. So perfect was their control that they knew absolutely, not only how many cattle were to arrive in Chicago each day, but over what railroad they would come and the men who shipped them. * * * The value of every steer raised west of the Mississippi had been reduced at least \$10 a head. The damage to the State of Kansas within the last few years was not less than \$40,000,000."

When at the close of the war there was nearly \$2,000,000,000 of greenbacks, 7-30 notes, one and two year notes, compound interest notes and other kinds of currency in circulation, we had prosperity and happiness. Ingersoll tells of that period in graphic language. He says: "During these years every kind of business was pressed to the very sky line. The productive power of the north was strained to the utmost. Every wheel was in motion. There was employment for every kind and description of labor. For every mechanic there was a constantly rising market. Everybody worked for somebody. Everybody wanted to employ somebody else. On every hand fortunes were being made. A wave of wealth swept over the United States. Huts became houses, houses became palaces. Tatters became garments, and garments became robes. Walls were covered with pictures, floors

carpets, and for the first time in the history of the poor tasted of the luxuries of wealth."

That was the time of cheap money. The time of paper money, of greenbacks. Now we have "honest" English dollars, as our unit of measure "sound money;" what a contrast. Stagnation, bankruptcy, ruin. How can we say honest money without blushing for very shame. Why "honest money" or "sound money" in view of the actual contrast between gold and government issues is brass enough in one's face for a 20-gallon kettle and ap enough in one's head to fill it.

The idea that the only honest dollar is one that has no purchasing power until property will not buy more until it requires double the amount of property as formerly to buy one, is false, dishonest and oppressive. Men who advocate gold and call it honest are robbers of heart or shallow in the head. To-day, May 11, 1896, in Hamptons, the leading grocer of Leslie, Mich., advertises 4x coffee for 1 cent; 3 lbs. granulated sugar 3 cents; 3 lbs. of light brown sugar; 1 lb. good raisins 1 cent; rice 1 cent; 3 lbs. hand-picked beans 12 cents; 1 lb. starch 8 cents; 1 lb. pure baking powder 20 cents; 1 lb. ground pepper 10 cents; 1-2 lb. Young H. tea 27 cents; 1 lb. bulk starch 5 cents; 1 bar Lenox soap 1 cent; 10 tomatoes 10 cents. All this produce for \$1 and you get one cent back. Dry goods, clothing and hardware merchants have marked their goods down in like proportion. The whole country is making every sacrifice to meet the demands of the usurers and bankers who hold their paper. The assessed valuation of the country is \$64,000,000,000. The indebtedness is fully half that amount. The debts are increasing in purchasing power, the dollars becoming more costly, double the property is required to buy one. Property is decreasing in value and what, pray, is to be done for the creditor class from foreclosing upon the whole nation? It is useless to say the people should not have gone on in debt; they were and are in debt. The unit of value should not have been changed from silver to gold at the behest of bankers and their debts thereby multiplied and the property reduced in price one half. It's the fault.

CHAPTER XXIII.

CLEARING HOUSES AND THEIR METHODS.

The National Economist says that in the twenty-three years following the contraction act of 1866 to 1889 there were 16,000 failures in America. What must there be therefore following the withdrawal of bank loans and repeal of the Sherman coinage law in 1893. History repeats itself. The cause that led to two decades of disaster after '66 will lead to two decades of disaster after 1893. The public are just waking up to the fact that banks do now and always have periodically withdrawn the loans, hid their currency and all other currency possibilities and preferred to do business on clearing house certificates rather than let it out during the panics they themselves have made. Concerning this policy, the Grand Rapids Democrat of March 17, 1894, says:

It will be remembered that in the recent stringency the city banks issued many millions in clearing house certificates which were by them held and credited with money. Having so held, they are now estopped from pleading that said certificates are not currency under the taxing clause, and the comptroller of the currency has virtually declared that they can be taxed 10 per cent under the law of 1863. Now, an act to relieve these banks has already been reported from the banking and currency committee, and an amendment to relieve state banks from the same tax would be perfectly germane to the subject and will be pressed.

The Detroit Tribune, of May 17, 1896, says:

During the panic of '93 clearing house certificates were issued for the first time in the history of the association. When arrangements had been made, one of the members remarked at a meeting of the loan committee that he intended to ask for \$100,000 worth.

"And I, too," said another.

Some of the bankers understood this as meaning that

second speaker intended to ask for "two" hundred and dollars worth. They felt worried, and the president of one large bank said that if more than a certain amount of certificates were issued, his bank would withdraw from the association.

This was only a bluff, for when the time came he did not carry out his threat. The largest amount of clearing-house certificates outstanding at any one time is said to have been \$400,000.

Not only clearing-house certificates, but certified checks have been used in lieu of currency for years by the banks. The policy of the banks is to keep a stringent money market to force high rates of interest, and the people to use commercial paper in all their transactions, for commercial paper is credit and without the credit system the people would starve. That the merchants and business men who run to the banks with every cent of cash they have and deposit it may know how their cash is loaned out to the neighbors and their business done on bank checks called checks and drafts, we publish the following portion of the proceedings of the Detroit Clearing House, as given in the Detroit News-Tribune of May 10,

Every day, between 12:15 and 12:30 o'clock, a stranger who climbs the marble stairs of the Union Trust building and enters the first door on the left will be astonished at what he sees and hears.

He will see a large room, furnished with a long, high table or series of desks joined together in the form of a circle, with the ends nearly joined by another section. Twenty young men with their hats on stand at these desks.

Eighteen other young men start when the gong sounds, and move from desk to desk until they have made a complete circuit of the room. Their motions seem to be directed by an aged man with a gray mustache, who sits at a raised desk in one corner. The aged man has a clerk who adds up long columns of figures with marvelous rapidity.

The young men at the tables work quietly until they reach a certain stage of the game. Then the whole 36 begin talking at once. This produces a babel of sounds and the scene resembles a class-room in a business college. Only it looks funny to see the young men wear their

Business is soon finished; the young men go away, and the aged man locks up for another 24 hours. His name is C. M. Davison, and he is manager of the Detroit clearing house—a big financial institution which does an average business of a million dollars a day and never handles a dollar of actual money. The young men are representatives of the various banks.

Eighteen state, national and private banks belong to the Detroit Clearing House association. This includes all except the Wayne County Savings bank, which clears through the First National bank; the Michigan Savings bank, through the Detroit National; the McLellan & Anderson Savings bank, through the Preston National; the Central Savings bank, through the American Exchange National, and the River Savings, through the Detroit Savings bank.

Most of the checks received by any bank come in the afternoon. Next morning, after the mail is distributed, it is as to get in all checks sent by country correspondents (bankers) for collection, a slip or "ticket" is made out for every other bank in the association, giving the amounts of checks held against it, and the checks are pinned to the slips. A clearing house sheet is also prepared, with the footing of the ticket against each bank and the total footing of claims against all other banks. These slips usually do not include many small checks received in the morning but some banks hold them open and insert checks of \$1 and upward.

About 12:15 o'clock two young men, the settling clerk and messenger, leave each bank for the clearing house with the clearing house sheet, slips against other banks, etc. The clearing house opens at 12:15 sharp, sun time. If the banks are represented before that hour Mr. Davison proceeds to business. If not, he waits until the exact minute and fines the offending bank \$1 a minute after the bells ring.

Each clerk, when he enters the clearing house gives the manager a yellow slip showing the total amount of checks held by his bank against other banks. Then he stands at a certain part of the long table, according to the number of his bank in the clearing house. The messengers all stand on the other side of the table.

Manager Davison sounds his electric gong or bell at 12:15 sharp, as a signal to come to order, and sounds again to commence business. Each messenger then goes to the next box and delivers to the settling clerk a slip giving the total amount of checks held by his bank against the settling clerk's bank, the checks themselves being

pinned to the slip, as above stated. He goes in the same way from box to box, until he has made the circuit of the room.

The settling clerks enter these amounts on their clearing house sheets and foot up the total amount of checks received against their respective banks. There is a babel of voices as the messengers call the footings, while the settling clerks verify their sheets. Then each clerk sends to the manager's desk a green ticket showing the total amount of checks against his bank.

He has entered the yellow slips in the credit column, and now puts the green slips in the debit column. Then he adds the columns up like a flash. If they balance exactly the manager rings his gong and the messengers all leave for their respective banks with the checks, while the settling clerks remain to verify their balances. There is a short delay while the clearing house clerk extends the balance, either debit or credit, of each bank, according to whether it brought in more checks than it took out or vice versa. Then the debits and credits are called off, each settling clerk answering "check" as his number is reached.

If a bank has a balance to its credit, the settling clerk brings a white ticket to the desk, which is signed by the manager and taken by the settling clerk to his bank. If the bank's balance is debit, the clerk brings to the desk a red ticket signed by himself as an evidence of the bank's indebtedness to the clearing house association.

If the clearing house clerk's sheet does not balance, he calls the amount of his difference out, and another babel of voice is heard as the settling clerks and messengers go over their footings to find it. The offender is fined \$1 for each mistake.

After the debits and credits have been called off, the representative of a creditor bank takes the white ticket signed by the manager and exchanges it for the manager's check on one of the debit banks. This check is subsequently presented and collected at the debit bank.

The Detroit clearing house was established in 1883, when 13 banks or bankers participated, the others clearing through national banks. The clearings last year amounted to \$323,528,214.

It will be well for the reader to notice a few things in this article specially. First, the Detroit clearing house does an average business of \$1,000,000 per day "and never handles a dollar actual money." This is the daily business of Detroit. The \$1,000,000 per day deposited by the mer-

chants in Detroit in bank and checked against is settled
 in debit and credit fashion on the clearing house books
 between the debit and credit banks without the use of one
 dollar cash. What has become of the cash deposited in
 bank by the business men of Detroit? Look in the loan
 and discount account of the Detroit banks; there you will
 find it. Was such a usury scheme ever established on earth
 before such a scheme for getting interest on what one owes?
 Such a scheme for cornering the nation's cash and doing
 its business on bank credit. Ye gods, will the people ever
 open their eyes to the bank robbery, the great American
 octopus. Second, observe that where there are no clearing
 houses banks have an arrangement with other banks
 through which their clearings are effected. Third, the debit
 banks give checks for their balances and the credit banks
 get checks for their balances. No cash ever leaves a bank
 in general business transactions when it once enters unless
 someone gives a note secured by collateral or good endorse-
 ers promising high rates of interest for it. In the lan-
 guage of Dantes Inferno, "Let those who enter here leave
 all hope behind." The Detroit banking business and clear-
 ing house is only a small affair beside that of New York,
 Philadelphia, Boston, Chicago, St. Louis and San Fran-
 cisco. The Detroit Tribune of May 17, 1896, says: "Clear-
 ing house settlements are supposed to be in cash, but the
 creditor and debtor banks can make any arrangement they
 choose. When a creditor bank presents the clearing house
 manager's check against a debtor bank, the latter some-
 times says it is inconvenient and asks to be carried over.
 If the creditor bank consents, the debtor bank certifies the
 check, which is held until next day and again goes through
 the clearing house. A debtor bank of to-day may be a
 creditor bank to-morrow, and the obligation may thus be
 discharged. Or, it may run several days, with regular
 diurnal trips to the clearing house. Sometimes the credi-
 tor bank charges interest.

Suppose the Tenth National bank gets the clearing
 house manager's check on the Banner Savings bank for
 \$50,000, and asks for half New York exchange and half

currency. The Banner bank may be short on exchange, but offers \$25,000 in currency and the cashier's check for \$25,000. This goes to the clearing house next day, although it does not represent actual clearings and really belongs to the business of the day before."

While the banking octopus, with its thousands of tentacles, is choking the life out of every business industry and sucking out the life blood of the nation its currency through double interest, prisoners in Joliet and other penitentiaries have been contributing food from their daily rations to starving workingmen outside. The Joliet prisoners sent from their daily rations 1,100 loaves of bread to the starving miners at Braidwood, Illinois, at one time. The Minneapolis Union of July 20, 1895, said:

A special to the New York Herald from Spring Valley, Ill., says:

Three hundred coal miners have caused great excitement here by offering to go into voluntary slavery if guaranteed for themselves and families comfortable houses, plenty of fuel, food and serviceable clothing. They represent the best element among the miners and are willing to thus serve, without a cent of wages. They will sign an ironclad contract.

They say that it will prove that the present trouble which threatens a strike is not of their seeking. During the last three years they say they have often suffered for the necessaries of life, and that rather than see their families so suffer any more they will become serfs."

When men offer to become serfs for bread to keep themselves, wives and little ones from starving the country is doomed or revolution is dangerously near. Surely the last days prophesied in sacred scriptures are close at hand. In the language of the poet we say:

"When wilt thou save the people
O God of mercy, when?
The people, Lord, the people,
Not thrones and crowns, but men.

Flowers of thy heart, O God are they,
Let them not pass like weeds away;
Their heritage a soulless day—
God save the people."

The banks want dear dollars; the money changers, such as Christ whipped out of the temple at Jerusalem, want dear dollars. No dollars are "honest" in their eyes but dear dollars. These dollars are so costly that in the language of the Lansing Review, May, 1895:

"Lower, lower, lower, is the report that has come for a long period, from the weekly record of prices, the average quotations for agricultural, mining and manufactured products being declared on May 1 to be the lowest ever known, having fallen one per cent during April, and 16.7 per cent in three years and six months. The volume of business as denoted by the report of bank clearances was 10.8 per cent less in New York last week than it was in the corresponding week a year ago, while the decline in Chicago was 7.9; in Boston, 16.4; St. Louis, 16.6; Philadelphia, 16.8; Cincinnati, 15; Detroit, 11.6; Grand Rapids, 19.5."

The banks of New York, according to their official report, had in circulation as early as 1877 on October 1st, \$29,395,900 in certified checks circulating as money. The Union National bank had that year a capital of \$1,500,000, circulation nothing, deposits \$2,493,000, discounts \$3,394,900, certified checks in circulation \$3,746,900. In fact this bank was drawing an interest on \$11,133,800. It is argued by penny wise and pound foolish country bankers that many banks surrender their circulation because it don't pay. Well, they do in cases like the Union National when they can issue unlimited amounts of certified checks instead which circulate as money. They prefer certified checks that cost nothing to bank bills that cost 1 per cent.. October 3, 1882, the banks of New York city alone had due and outstanding certified checks to the amount of \$105,481,705 and the capital of the same banks was only \$11,700,000. Why should not these checks be taxed as money under the law of 1863? At the same time clearing house certificates had been issued to the amount of \$26,224,000. These figures we take from the comptroller's report for that year. National banks also surrender their circulation where their commercial deposit account is large enough to meet their demand for loans. The reason for this is, says the Detroit News, that "National banks pay 3 per

cent and over on time deposits, but handle certain lines of deposits upon which no interest is paid. This reduces the average to about one and three-quarters per cent. Close figuring upon the expense of circulation shows about the same percentage." The fact, then, is that the \$2,000,000,000 loaned out by banks in America costs them not over one and three-quarters per cent. During and for thirty years after the war they loaned it at from 8 to 10 per cent and now the banks consider themselves public benefactors because they graciously loan it at 7 per cent. But interest was cheaper in 1865 at 10 per cent than it is now at 7 per cent. In 1865 the interest on \$1,000 could be paid with 50 bushels of wheat. To pay the interest on \$1,000 dollars now at 7 per cent will require 70 bushels of wheat. The writer is a farmer and has tried it. From human strength and cunning on the one hand, and human weakness and credulity on the other are involved conditions blighting as the simoon's breath, corroding as the pestilence.

Byron has in four sad lines epitomized all history:

"This is the moral of all human tales,

'Tis but the same rehearsal of the past;

First freedom, and then glory—when that fails,

Wealth, vice, corruption, barbarism at last!

CHAPTER XXIV.

SPECIAL PRIVILEGES AND CRIMES.

The failure of the Fidelity National bank and of the Marine National bank and James D. Fisk, carrying down in the crash Grant and Ward and the subsequent scandals, is enough to condemn the whole system of national banking. The day the Marine bank failed it had on deposit \$1,000,000 of the city's money. The other banks in New York at that time had on deposit \$4,000,000 more of the city's funds. This money that cost them nothing they were loaning and otherwise using to control the nation's business destiny. Such special privileges and immunities granted to banks and bankers have but one result, the destruction of the republic.

The Metropolitan says:

"On the first day of April, 1893, there were eighty-nine national and state banks doing business here, the aggregate capital of which was \$66,012,000, or an average of a fraction over \$741,025 capital for each. These eighty-nine banks reported at that date an aggregate surplus, over capital, of \$52,860,000. The total of deposits held by them was \$455,005,900, while the loans outstanding were \$437,527,400.

The relative strength of the strongest banks as shown by their capitalization is as follows:

American Exchange National bank.....	\$5,000,000
National Bank of Commerce.....	5,000,000
Western National bank.....	3,500,000
Fourth National bank.....	3,200,000
Bank of America.....	3,000,000
Manhattan Company.....	2,050,000
National Park bank.....	2,000,000
Bank of New York.....	2,000,000
Merchants' National bank.....	2,000,000
Mechanics' National bank.....	2,000,000
Central National bank.....	2,000,000

Importers' and Traders' National bank..... 1,500,000
 Bank of the State of New York..... 1,200,000

There are eleven other banks with national or state charters, each with a capital of \$1,000,000, and fifteen others of \$500,000 or more.

The deposits in several of the banks are worth noting. It will be observed that it is not those with the largest capital that have the most money entrusted to them by depositors. Here are the figures for a dozen of the most popular depositories:

Importers' and Traders' National bank.....	\$25,051,000
National Park bank.....	24,831,200
First National bank.....	24,239,700
Chemical National bank.....	24,165,000
Fourth National bank.....	19,527,100
Hanover National bank.....	17,849,500
American Exchange National bank.....	15,410,000
Bank of New York.....	13,530,000
National Bank of Commerce.....	13,033,200
National Bank of the Republic.....	12,783,200
Chase National bank.....	11,292,800
Central National bank.....	11,019,000

The stock of many of these banks command a premium. Take the Chemical National bank; the par value of its stock is \$100 per share. But on the 20th of last March a share of it was sold in public for \$4,105.00. The entire stock of the Chemical National is only \$300,000 (it has never been watered), while its surplus on April 1 was \$5,809,300. It declares a dividend of 25 per cent to stockholders every second month, or an annual dividend of 150 per cent. The First National bank declares quarterly dividends of 25 per cent, and a \$100 share of its stock is rated at \$1,330,000. The stock of eighty-three out of the eighty-nine national and state banks in New York are quoted at above par.

But the foregoing do not comprise or represent all the money here—not by a good many pennies. There are sixteen loan and trust companies holding deposits amounting to \$136,000,000. The private banks and bankers have \$80,269,000 for conducting their business. No authentic showing is at hand of the deposits in the twenty-one savings banks of the city, but it is estimated that not less than \$200,000,000 are credited on the pass books held by savings depositors."

It will be seen by the above statement that the capital of all these banks is entirely disproportionate to their deposits and if called upon suddenly to meet the demands of

depositors not one of them can do it. This makes the entire system unstable, unsafe and a danger and menace to the business of the whole country.

According to the New York Sun of May 7, 1884, when the Marine bank failed and Gen. Grant's banking firm of Grant & Ward, organized in 1880, went down the New York city banks had of the city's money on deposit over \$4,900,093.39. The following table shows the amount of city funds on deposit in the various city banks:

Bank of New York.....	\$ 300,000 00
Bank of North America.....	300,000 00
Central Trust Company.....	100,000 00
Chatham National bank.....	40,000 00
Columbia bank.....	50,000 00
Continental National bank.....	494,000 00
Fourth National bank.....	50,000 00
Hanover National bank.....	250,000 00
Importers' and Traders' National bank.....	1,075,093 39
Lincoln National bank.....	150,000 00
Madison Square bank.....	50,000 00
Marine National bank.....	1,000,000 00
Mechanics' and Traders' National bank.....	50,000 00
Mercantile Trust Company.....	200,000 00
Metropolitan Trust Company.....	50,000 00
Mount Morris bank.....	50,000 00
New York Produce Exchange bank.....	50,000 00
Oriental bank.....	100,000 00
St. Nicholas bank.....	300,000 00
United States National bank.....	250,000 00

CHAPTER XXV.

BLAND-ALLISON ACT.

In the United States Senate, December 16, 1881, Senator Voorhees, of Indiana, delivered the following speech on the financial policy of the then Republican President, and his secretary, in recommending the repeal of the Bland-Allison silver law, passed February 28, 1878, providing for the coinage of not less than two millions or more than four millions of dollars in silver per month, but it was left optional with the secretary of the treasury whether the greater or less quantity should be coined. The secretary of the treasury having always been a Wall street man has ever chosen to coin the smaller quantity. Every Republican president and secretary followed the course of Cleveland on the Sherman act, passed in 1890, which provided for the purchase of four and one-half million ounces of silver bullion per month and the issue of silver certificates thereon, which amounted to over five and one-half millions per month in dollars—recommended its repeal. A bankers' panic alone could force their repeal. Senator Voorhees' great speech upon this question is as follows:

Mr. President, it is now nearly nine years since silver money was destroyed in this country by the repeal of the law of 1792 authorizing its coinage. This famous act of fraud upon a long and well settled financial policy and of wrong and injustice to the business and labor of the American people was consummated on the 12th day of February, 1873. And then for five years and sixteen days it remained upon the statute books to curse the land.

On the 28th day of February, 1878, the voice of the American people was obeyed in these halls, and silver money, the money of Washington, the unit of value devised by Jefferson, the money of great minds in every age of civilized man, the money of the constitution, the money of every period and of every political party of this republic

He until a recent day, was restored by law to coinage and to circulation. Let that day be remembered forever in the American calendar as one on which a great victory was obtained, the first in many years, by the industrious, productive masses over the usury-gathering, idle, unproductive few.

The passage of the silver bill was accompanied by the groans and lamentations of the associated national banks, expressed in many a sombre memorial, petition, remonstrance and expostulation laid before Congress. When their pretended concern for the welfare of the country and their real concern for their own enormous profits were exposed and disregarded here, they bent their faces confidently toward the executive department of the government, that last refuge, as it seems, for special privileges to favored classes. They were not mistaken; they did not make their appeal to that department in vain. In defiance of the public will, in contempt of the policy of the government for more than four-score years, and in open disregard of the wants of trade and business, the administration of Mr. Hayes sent to us his puny protest against the dreadful consequences of silver money. His veto, however, was swept aside by the Congress of the United States as people brush cobwebs out of their way. The bill restoring the silver dollar to its place in the coinage laws of the government was enacted into a law, over all combined opposition, by the tremendous vote of 196 to 73 in the House, and 45 to 10 in the Senate.

The five years during which silver did not exist as legal currency were years of the most appalling financial disaster ever known in American history. I am speaking now of what all men know, and stating that which no man will deny. From 1873 to 1878 there was a period of mourning over lost property, lost homes and lost labor, in every active business community in the United States. It was literally strewn, like some bleak and dangerous coast, with the wrecks and fragments of human toil and enterprise. Honest debts to the amount of more than a thousand million dollars were wiped out by enforced bankruptcy, and the accumulation of life-long, honest industry disappeared from day to day before the devastating curse of a false and oppressive financial system. Men and women, once in ease and independence, died of broken hearts, and children grew up in idleness and want. The burning sands of the African desert, without a tree or flower or spring in sight, are not more cheerless or repul-

sive to the view of the traveler than these five years are, and will ever remain, to the eye of the historian.

Of course, it is not pretended that this widespread scene of decolation was due altogether to the act demonetizing silver, but beyond all dispute or question that measure was an important and potent factor in a general scheme for the contraction and destruction of money and the consequent overthrow of business prosperity. It was one of several kindred measures looking to the same end, all designed for the benefit of money-lending usurers, all withdrawing lawful currency from the hands of the people, making money scarce and dear and hard to get, the rate of interest high, the price of labor and its products low; times hard and anxious for everybody except the holders of capital, retired from active business, and invested in the untaxed bonds of the government, or in the mortgages of their neighbors at shaving, shylock rates of speculation. The act of Congress by which silver was dishonored was a prominent feature in a most unrighteous and criminal endeavor to so contract, cut down and diminish the amount of money in use among the people that the hoarded millions of the banker and the capitalist would have more power in the affairs of men than all the other powers of this government combined. The dream of certain minds in this country has been for many years past to create in fact, if not in name, an order of aristocracy, a privileged class, with their rank and importance founded not upon intellect, culture, refinement, grace, or goodness, but upon their success in the practice of avarice, the meanest and most sordid passion of the human heart ever spoken of in the heavens above or the earth below. In furtherance of this purpose the possession of money, especially in considerable sums, being a badge of the new nobility, the common people were to have as little of it as possible, and for that little to be dependent entirely on the lords of capital.

In this way money, in the estimation of a certain school of financiers, would have at last its proper power; its power over the lands, the homes, the labor of the people; its power over the pinching wants and paralyzing fears of men and women in debt; its power to apply the lash and exact the pound of flesh; its power to bend the human soul as well as the human body to its merciless service; its power to tempt men to sell their birthright of liberty on voting day; its power to corrupt elections, debauch public virtue, and sap and mine this republic to its downfall. To enhance the power of money and to enlarge its control of human affairs of every sort and description, have been

the steady and fixed purposes of the leaders of the party in power ever since the creation of the present system of national banking on national bonds. The coinage of silver stood in the way of these purposes! it made money more plentiful, cheaper in exchange for a day's work, and more easy to obtain at living prices; it filled the money markets with a good currency, so that the farmer, the mechanic, the manufacturer, and the day-laborer could get full and fair returns for the various commodities they had to sell.

It was the legislation of the Forty-fifth Congress, originating in a Democratic House of Representatives, which broke the nightmare spell of financial contraction and business prostration, renewed the vitality of industry, and quickened into new being every worthy enterprise in the whole land. The act by which silver was restored and its circulation provided for by means of silver certificates and in coin, gave a positive assurance of a much-needed, gradual increase to our circulating medium. Everybody could then know what was coming, how much and how fast, and could prepare for business accordingly. Immediately succeeding this act came another, in the same Congress, of vast and overwhelming importance—the act of May 31, 1878. Until the passage of this last-named act the green-back money of the country had been at the mercy of the secretary of the treasury. He had the power to retire and destroy it at such times and in such quantities as he saw fit, thus rendering the condition of the finances unstable, uncertain and delusive. The secretary of the treasury could contract the currency, tighten the money market, breed financial distress at his own will and pleasure, and it is a notorious fact of history that the national banks were at all times and under all circumstances unceasing in their demands upon him to drive out of circulation all kinds of money except their own, in order that they might have the whole financial field and all its profits to themselves.

Sir, I hazard nothing in saying that it was the capricious exercise of this vast and dangerous power by different secretaries of the treasury, together with the demonetization of silver, which, more than all other causes combined, created the panic of 1873, and continued it through the dismal period that followed. Business men were in ignorance from day to day what would happen next at the head of the government to put up or to put down all values in every market. Accordingly as the secretary contracted or expanded the circulating medium he manipulated all the markets and depressed or advanced the prices

paid for pork, beef, corn, wheat, oats, hay, as well as for all manufactured goods on sale. The idea of business stability or prosperity under such a system as this was simply the essence of extreme absurdity. I esteem it a great piece of personal good fortune that I was permitted here on this floor to contribute by my labors and my vote to the extinction of such a monstrous abuse. By the act of May 31, 1878, each succeeding secretary of the treasury is told in clear and explicit terms to let the greenback circulation alone at the exact amount then outstanding, to touch not a single dollar of it for retirement or destruction, and to replace every worn-out bill with a new one, and this he shall not fail to do under pains and penalties prescribed in the law. We sometimes hear from thoughtless and foolish people that the greenback cause, as it is styled, was a failure, and that its advocates suffered defeat. Look at the treasury reports for the month of May, 1878, and for the month of December, 1881. There were \$346,681,016 of greenbacks in circulation in May, 1878, and there is exactly the same amount in circulation now, and it has not varied a single dollar between these two points of time. Does this look like the greenback had been wiped out of the field? Does it not rather appear to have achieved a great and permanent victory? In despite of all opposition, of all the hootings, hisses, execrations, and derision of its enemies, it remains a steadfast, undeviating, honored currency. Its friends have triumphed, and its enemies are reduced to practical, if not silent, submission. In connection, however, with the act of May 31, 1878, securing the greenback from further molestation, one more step in the work of financial reform was necessary in order to equalize and give stability to the different currencies of the country.

The experience of all nations shows that the money of a government which is honored by the government itself, by being received for public dues, will never be depreciated. Such would have been the history of our own legal tender notes, or greenbacks, if the government had not discriminated against their use when they were originally authorized. Believing this to be true, I gave my earnest support to a bill which came here from the house during the long session of the Forty-fifth Congress, making the greenback money receivable for duties on imports. Pending that measure in this body, and while it was yet in the hands of the finance committee, the Secretary of the Treasury announced that he would do what the bill contemplated without the necessity of its passage. While, there-

fore, it did not become a law, yet it accomplished the object of its supporters, and greenbacks arose at once to par with gold, and have stood there ever since.

I confess that I am amazed at the recommendations of the Secretary of the Treasury, in which he is joined by the President, on the subject of our silver currency. Under the act of February 28th, 1878, at the rate of two millions per month, there have been coined about ninety-two million dollars of full legal tender silver money. By virtue of the same act there have been issued silver certificates to the amount of \$66,663,830, based dollar for dollar on that amount of coin now in the treasury and pledged for their redemption. These silver certificates, to the amount mentioned, are now in the pockets of the people, performing all the offices of money in the daily transactions of business, and their redemption is better secured by specie than any other paper money in the world. The pledge of gold for the redemption of a paper circulation based upon it, is usually at the rate of one dollar in gold to three in paper, and generally at a much greater disproportion. On the other hand, every dollar of silver certificate circulation has a silver dollar behind it, and is made receivable "for customs, taxes and all public dues." It is not necessary to add that such money is at par with gold, and stands on an equality with the best currency in existence. It is eagerly sought in exchange for labor, and all the productions of labor, as any of the other different kinds of money. It has the great merit also, like the greenback, of being cheap money; it costs the people no interest, and comparatively nothing at all for its circulation. Silver came from the mines through private enterprise, paid the government for its own coinage, and sixty-six millions of it are now in the vaults of the treasury, ready any moment to respond to every dollar as paper representatives. And yet it is concerning this safe, strong, convenient, cheap, specie guaranteed, par-circulating money that the Secretary of the Treasury writes the following sentence in his annual report now before me:

"It is recommended, therefore, that measures be taken for a repeal of the act requiring the issue of such certificates, and the early retirement of them from circulation."

It is difficult, in moderate terms, to characterize such a recommendation. It is a wanton and, to my mind, a criminal assault upon the financial stability and the business prosperity of the whole country. It is here deliberately proposed to retire from circulation more than sixty-six millions of money, and to destroy it. Is it possible for any

one to fail to foresee the consequences of such a measure if adopted? Even the bare proposition to contract the currency and to disturb its healthy condition at this time would create disorder and panic but for the faith of the country that Congress is wiser than the Executive Department, and will pay no heed to its recommendation on this subject. No greater calamity can befall a people than the destruction of money in their hands. On a former occasion on this floor I used the following language, and it is as appropriate now as it was then:

Sir, in the entire catalogue of crimes against human society not one can be found so awful in all its consequences, both immediate and remote, as a government commits when it deliberately destroys the money of its own citizens. Wherever in all the regions of time such measures have been accomplished, the horrors of history have taken place. No shrinkage in the amount of money, no contraction of the currency in the hands of the people, was ever enforced by law to any considerable extent, except amidst broken lives, ruined hopes, despair, lost honor, and all the vices springing from the lowest depths of poverty and human misery. The worst ingredients of war, pestilence and famine all flow from the act of a government violently tearing from the hands of the laboring masses the money they so much need. Murder, theft, robbery, prostitution, forgery, embezzlement and fraud of every hue and mien curse the land that is deprived of a full and sufficient circulating medium on which to give employment to its toiling men and women. The social statistics of mankind will show that wherever the supply of money has been scant and labor poorly paid, or left entirely idle, there the gallows-tree has borne most frequently its horrid burden; there the jails and the penitentiaries and all the haunts of infamy have been most crowded.

But the Secretary of the Treasury does not stop with the recommendation I have cited for the destruction of good money in the form of silver certificates; he modestly asks for the repeal of the act of February 28th, 1878, providing for the coinage of silver, and requests that the whole subject be left by Congress to his discretion to coin much or little or none at all, as he may think best. His language is as follows:

It is therefore recommended that the provision for the coinage of a fixed amount each month, be repealed, and the Secretary be authorized to coin only so much as will be necessary to supply the demand.

It is very obvious that the object of this recommendation on the part of the Secretary of the Treasury is to drive silver entirely out of circulation. This will be seen from the fact that he attempts in his report to show that there is no demand for silver, and aims to make a false impression that it has been difficult to put silver money in circulation. I quote as follows from his report:

As required by the act of February 28th, 1878, the department has caused to be coined into standard silver dollars each month at least \$2,000,000 in value of bullion of that metal. Constant efforts have been made to give circulation to this coin, the expense of transferring it to all points where it was called for, having been paid by the government. Only about thirty-four millions are now in circulation, leaving more than sixty-six millions in the vaults, and there is no apparent reason why its circulation should rapidly increase.

Sir, what must be thought of the candor or the intelligence of this public officer in speaking of sixty-six millions of silver in the vaults with no apparent reason for an increase of its circulation, when in point of fact every dollar of it is now in circulation in the form of a paper currency resting upon a specie basis? He complains that sixty-six millions of silver coin are in the vaults of the treasury, and will not circulate, although great efforts have been made to that effect, while in the same document it appears that sixty-six millions of par paper money based on this very coin is in circulation in every state in the Union. A perusal of the report of the Secretary of the Treasury shows a silver circulation in round numbers of a hundred millions, sixty-six millions in certificates, and thirty-four millions in coin passing from hand to hand. All that has been coined under the act of February 28th, 1878, is in circulation, and a considerable amount in addition which has reached us from other sources. Does this state of facts warrant the Secretary in trying to make the impression that silver money is a drug and a failure, and that the people do not want it? Who can justify this assault upon the existence of a hundred millions of currency possessed of the same purchasing power as gold? I denounce it, and challenge the friends of such a policy, if it has any here, to come to its rescue. Let those who will or dare, stand forth as its champions. This issue, thus forced without reason or justice upon the country, will be met by the country, and its authors will be sternly rebuked.

Such a movement, however, against financial stability and security, must necessarily have a powerful inspiration

in some deeply interested quarter. We are not left in doubt at all as to the source of that inspiration. In connection with the proposed retirement of silver, and in order to quiet the fear in the public mind of a destructive financial contraction, the Secretary, as the mouthpiece of the banks, is good enough to say in his report:

There need be no apprehension of a too limited paper circulation. The national banks are ready to issue their notes in such quantities as the laws of trade demand, and as security therefor the government will hold an equivalent in its own bonds.

With what supreme, and, I might say, insolent complacency the entire welfare of the people is here handed over, in few words, to, the care of moneyed corporations, whose tenderest mercies are legalized cruelty and multiplied usuries. We are told that the national banks are ready to issue their notes in place of the silver currency marked for destruction, and to do so in such quantity as the laws of trade demand, the banks themselves, of course, being the judges of the laws of trade and of their demands. The country is to depend in other words, on the interest or the generosity of the banks for the supply of money.

Sir, it is not my desire to indulge in harsh criticism on any class, but in my opinion, the men of all others least qualified by knowledge, unselfishness, or breadth of views to pass upon the wants of the laborer and of active business, are the average national bankers of the United States at this time. Absorbed in money-getting for themselves, their vision of duty bounded by their own interests, and their desires concentrated on large dividends and rich profits, they know but little and care nothing about the great pulsating tide of human effort and human progress which is bearing the world forward. The question here presented by the Secretary of the Treasury is whether to such minds shall be surrendered the entire control of supply and circulation of the currency. Who is ready to support such a proposition? Has national bank money been furnished at so little expense to the people that they want it to take the place of all other kinds? I do not wonder that the banks want a total monopoly of the currency, but it is astounding to me that tax-payers should be willing for them to have control at all of that vital question. The desire of the banks to destroy silver and greenbacks is very easily understood.

The profits of the national banking under our present system have been, and continue to be, something almost fabulous, and it is natural that those engaged in it should

desire to expand their operations over the entire currency of the country. This is the solution of their ceaseless agitation for more power over the finances. But a short time ago they were demanding, through the Executive and the then Secretary of the Treasury, now the Senator from Ohio (Mr. Sherman), that the legal tender, debt-paying quality of over three hundred and forty-six millions of greenbacks, then at par with gold, should be withdrawn, and that this money, costing the people nothing for its circulation, should be left to perish by the wayside. This was to be done in order that the banks might issue their notes in its place "in such quantity as the laws of trade demand," according to the broad discretion now conceded by the Secretary. Let us look, however, for a moment in this connection at the cost to the people of bank note currency, and see whether a circulating medium so expensive should supplant all others. The bank note circulation has averaged in round numbers about \$280,000,000 during the last eighteen years. Government bonds, owned by the bankers and drawing interest from the labor of the people, were pledged to the amount of over \$320,000,000 for the security of this circulation.

The interest paid by the people and received by the banks on these bonds may be stated at an average of not less than \$17,000,000 a year; this, for eighteen years, amounting to over \$300,000,000 for the blessings of bank money. By adding to this interest account the profits of the banks on their circulation and their deposits, it will be found that they have received enough gains from the pockets of the people since their creation to pay off two-thirds at least of the national debt. And these vast sums have been paid to the banks simply for the privilege of receiving through their hands a little more than one-third of our currency, of no better quality than the other currencies for whose circulation there was no tax on anybody. Is this such a showing as to entice Congress to abandon the whole financial question to the banks?

Why will not these financial corporations learn wisdom in time, and forbear their greedy and repulsive demands? We have heard here and elsewhere many earnest admonitions against financial agitation. Who have been the agitators; those who make new, arrogant and avaricious demands at each new session of Congress, or those who stand here to resist encroachment and oppression upon the rights and labor of the people? Who are the agitators now? Am I to be stigmatized as such because I oppose a measure of financial agitation, of business disturbance, and of widespread disaster? Every financial agitation,

from that of March, 1869, changing the contract under which the bonds were to be paid, to the present hour, has been forced upon Congress and the country by the insatiate, relentless demands of the banks and the owners of bonds for unjust and unrighteous privileges, powers, and profits. I can safely appeal to history, and challenge its records for the truth of this statement.

A half century ago there was a financial colossus in this country that did the same when its arrogance was rebuked and its doom foretold. The old United States bank carried its head as high and believed as much in the power of its money as the associated banks do now. It had power enough in the Senate of the United States to censure Andrew Jackson by a formal resolution, and to defeat the confirmation of a Secretary of the Treasury and the government directors of the bank; it had power enough to prevent its own investigation by a committee of the House of Representatives, and on the other hand to obtain a friendly committee from the Senate to investigate its affairs for the purpose of seeing and reporting them favorably. It had the power to convulse the country in all its borders and to command the devoted services of transcendent talents; yet it had gone too far in its spirit of domination, and I have before me a most significant and instructive picture of its condition as it fell from its high estate. In Benson's "Thirty Years' View of the Senate" will be found copied from the Philadelphia papers of that period the following extracts portraying the dying throes of a once omnipotent corporation:

1. Resolved (by the stockholders), That it is expedient for the Bank of the United States to make a general assignment of the real and personal estate, goods and chattels, rights and credits whatsoever and wheresoever, of the said corporation, to five persons, for the payment or securing of the debts of the same—agreeably to the provisions or the acts of Assembly of this Commonwealth. (Pennsylvania.)

2. It is known that measures have been taken to rescue the property of this shattered institution from impending peril, and to recover as much as possible of those enormous bounties which it was conceded had been paid by the late managers to trading politicians and mercenary publishers for corrupt services rendered to it during its charter-seeking and electioneering campaigns.

3. The amount of the suit instituted by the Bank of the United States against Mr. N. Biddle is \$1,018,000, paid out during his administration, for which no vouchers can be found.

4. The United States Bank is a perfect wreck, and is seemingly a prey of the officers and their friends, which are making away with its choicest assets by selling them to each other, and taking pay in the depreciated paper of the South.

5. Besides its own stock of thirty-five millions, which is sunk, the bank carries down with it a great many other institutions and companies, involving a loss of about twenty-one millions more—making a loss of fifty-six millions—besides injuries to individuals.

6. There is no price for the United States Bank stock. Some shares are sold, but as lottery tickets would be. The mass of the stockholders stand and look on, as passengers on a ship that is going down, and from which there is no escape.

7. By virtue of a writ of venditioni exponas, directed to the sheriff of the city and county of Philadelphia, will be exposed to public sale to the highest bidder, on Friday, the 4th day of November next, the marble house and the grounds known as the Bank of the United States, etc.

8. By virtue of a writ of levavi facias to me directed, will be exposed to public sale the estate known as "Andalusia," ninety-nine and one-half acres, one of the most highly improved places in Philadelphia; the mansion house and outhouses and offices all on the most splendid scale; the greenhouses, hothouses, and conservatories extensive and useful; taken as the property of Nicholas Biddle.

9. To the honorable Court of General Sessions: The Grand Jury for the county of Philadelphia respectfully submit to the court, on their oaths and affirmations, that certain officers connected with the United States Bank have been guilty of a gross violation of the law, colluding together to defraud those stockholders who had trusted their property to be preserved by them, and that there is good ground to warrant a prosecution of such persons for criminal offences, which the grand jury do now present to the court, and ask that the Attorney-General be directed to send up for the action of the grand jury, bills of indictment against Nicholas Biddle, Samuel Jandon, John Andrews, and others to the grand jury unknown, for a conspiracy to defraud the stockholders of the Bank of the United States of sums, etc.

10. Bills of indictment have been found against Nicholas Biddle, Samuel Jandon, and John Andrews, according the presentment of the grand jury; and bench warrants issued, which have been executed upon them.

11. Examination of Nicholas Biddle and others before Recorder Vaux.—Yesterday afternoon the crowd and ex-

citement in and about the court room where the examination was to take place was even greater than the day before. The court-room doors were kept closed up to within a few minutes of four o'clock, the crowd outside blocking up every avenue leading to the room. When the doors were thrown open it was immediately filled to overflowing. At four the recorder took his seat, announcing that he was ready to proceed, the defendants were called, and severally answered to their names, etc.

12. On Tuesday, the 18th, examination of Nicholas Biddle and others was continued and concluded, and the recorder ordered that Nicholas Biddle, Thomas Dunlop, John Andrews, Samuel Jandon, and Joseph Comperthwaite each enter into a separate recognizance with two or more sufficient sureties, in the sum of \$10,000 for their appearance at the present session of the Court of General Sessions for the city and county of Philadelphia, to answer the crime of which they thus stand charged.

13. Nicholas Biddle and those indicted with him have been carried upon writs of habeas corpus before the Judges Barton, Conrad and Doran, and discharged from the custody of the sheriff.

14. The criminal proceedings against these former officers of the Bank of the United States have been brought to a close. To get rid of the charges against them without trial of the facts before a jury, they had themselves surrendered by their bail, and sued out writs of habeas corpus for the release of their persons. The opinions of the judges, the proceedings having been concluded, were delivered yesterday. The opinions of Judges Barton and Conrad were for their discharge; that of Judge Doran was unfavorable. They were accordingly discharged. The indignation of the community is intense against this escape from the indictments without jury trials.

I commend this remarkable chapter of history to the consideration of the associated banks of the present time, and to their official friends in high places. It presents a lesson on the mutations of human affairs, which they cannot with safety disregard.

CHAPTER XXVI.

NATIONAL BANK DEPOSITORYS.

A large number of the national banks have been made government depositories, custodians of the public funds, and also fiscal agents of the government. They have in their vaults constantly upwards of \$50,000,000, and during bond sales and refunding operations have been known to have on hand at one time as high as \$200,000,000 of the people's money. This money is used by the banks to forward their speculations, promote trusts, corner breadstuffs and other necessaries of life. In fact, there is not a trust or monopoly in the land but has one or more national banks working in conjunction with it. The owners and stockholders in the trust being owners and stockholders in one or more banks. The United States finance report, 1882, on page 373, says the sums of money placed in the national bank depositories by the United States from 1864 up to and including 1882 amounts to the enormous sum of \$3,812,722,588.02. Yet there are men who pretend to be honest who claim to believe this stupendous privilege is not a monopoly most foul and dangerous. Let any one of these depository banks fail, and under the ruling of our servile courts, the government must swallow its losses together with other creditors. We clip the following associated press dispatch from a Chicago paper, which is quite pertinent:

Washington, April 9, 1894.—A decision was rendered by the Supreme Court to-day in the case of the Cook County National Bank, of Chicago, against the United States. The principal question in controversy was whether, the bank being insolvent, the claim of the United States for money deposited for the postmaster of Chicago is a preferred claim or, not. The court holds that the provisions

of the National Bank act, section 5326 of the revised statutes, have the effect of withdrawing national banks that have failed from the class of insolvent persons out of whose estates demands of the United States are to be paid in preference to claims of other creditors. The claims of the United States, therefore, against an insolvent national bank are not entitled to priority of payment out of its assets. The court also answers in the negative the question whether the United States have a right to claim payment of their demand out of surplus moneys remaining in the treasury of bonds deposited as security for circulating notes of the bank. The court holds that bonds so deposited constitute a trust fund, and the trustees cannot set off against funds held by him in that character his individual demand against the grantor of the trust. The decree of the Circuit Court is reversed and cause remanded, with directions to sustain the demurrer and dismiss the bill.

Here it will be well for the reader to carefully peruse the following speech of Gen. Weaver, delivered in Congress in 1888:

Mr. Weaver: Mr. Chairman—This country is now within the grasp of a gigantic, cold-blooded money trust, which limits the money output, prescribes the conditions on which it designs to accept the currency at the hands of the government, determines the channels through which it shall reach the people, and terms upon which it shall be doled out.

This trust usurps the sovereignty of the nation, mocks at the suffering of its victims, and relies upon the painful necessities of the situation to keep them in subjection. (applause.)

“For a quarter of a century this trust has overawed Congress, and at this time is setting at defiance laws which it does not approve. It is a national organization, with ramifications everywhere. It holds annual sessions, has an executive council, which meets in secret, and is clothed with power to collect large sums of money and to disburse the same for purposes which are not made public. It is the architect of our present financial structure. They have built it to suit the cupidity of the usurer and so as to administer to the devouring appetite of money ghouls, rather than to serve the legitimate wants of business and trade. They have made it a snare and a delusion, and a rack of torture to those who are content to accumulate wealth by production, and it has proven a bed of quicksand to business energy and honest thrift.

I regard the situation to-day as not presenting a contest between the people and any executive department of this government, but a contest between the people and a non-political moneyed oligarchy that controls all departments and seeks to control all political parties.

Where is the money which this resolution seeks to have paid out in the purchase of government bonds? It is not in the treasury. Fifty-nine millions of it are in national banks, and they are using it without interest. The Secretary of the Treasury has serious doubts about his authority under the laws of March 3, 1881, to purchase bonds with the money. It is a little singular that some doubt did not arise in his mind as to his power to deposit this amount of money in the national banks.

Under what law did he deposit it? You will find the law on page 365 of loans and currency:

"All national banking associations designated for that purpose by the Secretary of the Treasury shall be depositories of the public money, except receipts from customs, under such regulations as may be prescribed by the Secretary, and they may also be employed as financial agents of the government."

Now, Mr. Chairman, when was this law passed? It was passed in June, 1864, during the struggle for the preservation of the union, when the government had to disburse large sums of money in various parts of the country in payment of supplies. That was the necessity under which that law was passed, and the necessity having ceased the rule ought to have ceased also.

There was no design in the passage of that law to make the national banks depositories of the government funds for their convenience and benefit. It was the convenience of the government that was uppermost in the minds of Congress, and when the necessity ceased the deposit of money in the national banks should have ceased also. But, sir, it is true that there are fifty or more national banks in this country that have been literally stuffed with government money for the past quarter of a century, money wrung from the people by unjust and oppressive taxation has been stuffed into the banks and by them loaned back to the poor wretches from whom it was extorted. Who on this floor will deny that? Fifty-nine millions! Where is it? Scattered promiscuously over the country, without regard to the convenience of the government, utterly in defiance of sound policy and solely with reference to the convenience and at the behest of the banks.

Let me give you a specimen or two. I find in the list

I hold in my hand the Hamilton National Bank, of Fort Wayne, Ind., which has nearly \$100,000 of the public money. Whose bank is that? That is the bank in which an ex-Secretary of the Treasury (Mr. McCulloch) is largely interested. His salary as Secretary of the Treasury ceased long ago, but the profits from the use of this \$100,000 of government money continues and amounts to nearly or quite as much per annum as his salary use to be. He is using the people's money that has been wrung from them at the expense of their homes, at the expense of thousands of hungry children all over this country who are half clad, half fed, and less than half-educated. (Applause.) Who else have their clutches on this government money? The Chase National Bank, of New York, has \$1,100,000 of it. Who presides over the Chase National Bank? Mr. Chanon, late Comptroller of the Currency. He still has his hand in the treasury, and is using, without interest, \$1,100,000 of government funds, the profit upon which far exceeds the salary he received when he was Comptroller of the Currency. Then comes the First National Bank, of New York. That is the bank that was caught with \$43,000,000 of the public money in it when Mr. Sherman was Secretary of the Treasury, and when its own capital stock amounted to less than a quarter million dollars. What kind of official honesty was this, and what an example to the country!

That bank to-day has \$1,100,000 of government money which it has the use of without interest. While the farmers of my district and my state are ground down by their mortgages and crushed to the earth by their debt, these gentlemen and their banks are the favored ones and have the free use of \$1,100,000 of the people's money.

Then we have the National Bank of the Republic, of New York, with \$930,000 of government money. Who presides over that bank? John Jay Knox, an ex-Comptroller of Currency. He, too, has his arm into the treasury up to the elbow, and the profit which he derives from the use of this \$930,000 of the government funds far exceeds the salary he received when he was Comptroller.

Next we come to the National Bank of the Republic, in the city of Washington, a bank in the same city with the national treasury and alongside of it. What necessity is there for a government depository here in Washington? Everybody knows it is a mere gratuity to the banks, and I denounce it as a shameless exhibition of bad official morals.

The National Bank of the Republic is presided over, I am told, by ex-Postmaster-General Cresswell. It has \$165,000 of public funds.

Mr. Payne—Did the gentleman mention the National Bank of the Republic?

Mr. Weaver—Yes, sir, a bank here in Washington.

Mr. Payne—That is not located along side the Treasury Department.

Mr. Weaver—How far from it?

Mr. Payne—Down on Seventh street. (Laughter.) One word more—

Mr. Weaver—No, sir. I do not wish to be further interrupted. My time is limited.

Mr. Payne—Mr. Cresswell is not president of that bank.

Mr. Weaver—Well, Mr. Cresswell's bank is using government money, as I understand. If I have the wrong bank by the ear, I have not the wrong ex-Postmaster-General by the ear. (Laughter.) I may have placed the wrong man in the wrong place.

Now I come to the Western National Bank, of New York. That bank, it will be remembered, was organized during the second session of the Forty-ninth Congress by three prominent treasury officers, concerning one of whom (peace to his ashes), I will not say a word; but two other treasury officials, the Treasurer of the United States, Mr. Jordan, and the sub-Treasurer of the United States at New York, Mr. Canada, were prominent in organizing that bank, and are prominent stockholders in it to-day. How much government money has this bank? One million one hundred thousand dollars. It deposited bonds to the amount of \$1,000,000 and received \$1,100,000 of government funds, which are being used by this bank, as all these other ex-officials are using government funds, for their own profit and advantage. F. O. Mathiessen, one of the prominent characters in the infamous sugar trust, was conspicuous in organizing this bank, and is a prominent stockholder in it. I examined the record with regard to this bank and I want to give what it says. The book which designates the amount that these banks shall receive shows this order concerning the Western National, Mr. Jordan's bank:

"Fill the banks from outside of New York."

Is not that good? (Laughter.)

I have a letter from the Secretary of the Treasury concerning this bank which I wish to read for the edification and instruction of this house. It is dated Washington, D. C., October 8, 1887, and is directed to the Treasurer of the United States:

Sir—The Western National Bank, of New York city, has been designated a United States depository, and the security fixed for the present at \$1,000,000 of United States 4 per cent bonds. In order to avoid the usual delay in ob-

taining a balance by accumulating revenue deposits, I will thank you when the bonds are received, to cause to be transferred to said bank from national bank depositories other than those in New York city such amounts as may be deposited therein to the credit of your general account, in excess of their authorized balances, until the sum of \$1,100,000 is reached, which amount the Western National Bank will be authorized to hold as a fixed balance. Respectfully yours,

C. S. FAIRCHILD, Sec'y.

Now this was an order to the Treasurer of the United States, whereupon he issued his order to the banks outside of New York to transmit their balances direct to the Western National Bank—not to the Secretary of the Treasury—but directly to that bank, and to telegraph the amount of their remittance to the Secretary of the Treasury.

And then at this session of Congress the Secretary of the Treasury has sent in an item showing a deficiency in the telegraphic expenditures, and he states in his letter that the deficiency is solely owing to the large amount of deposits placed in the national banks. That is to say, the cost of telegraphing both to and from the banks that are issuing this government money for nothing, is paid out of the treasury of the United States, and in order to meet this expense an item has been allowed in the urgent deficiency bill which passed the House. What excuse is there for this?

Payne—What was the date of the letter just read by the gentleman?

Weaver—October 8, 1887.

Then we have also the Third National Bank, of Buffalo, N. Y. Whose bank is that? It is a bank controlled by gentlemen prominent in the Standard Oil Company. Yes, the Standard Oil Company has its hands in the treasury also, through this and other banks. Think of the burning shame and disgrace of such a transaction! No wonder the people are losing confidence in the government.

Weber—May I ask the gentleman—

Weaver—I cannot yield to the gentleman.

A Member (on the Republican side)—We will extend your time.

Weaver—No you will not, I fear.

The Chairman—The gentleman from Iowa refuses to yield.

Weaver—This Standard Oil bank, the Third National Bank of Buffalo, has \$165,000 of government money, and the Seaboard National Bank, of New York, in which Daniel O'Day, the general manager of the Standard Oil pipe line,

and S. J. Vandergrift, the president of the Standard Oil pipe line, are stockholders, \$515,000 of the public money.

The president and treasurer of the American Bankers' Association are presiding over national banks which have been designated as depositories, and twelve out of the twenty-one members of the executive council of that "trust" are also connected with banks that are depositories and are using government money.

Mr. Chairman, it is true that one and all of these "trusts" that to-day are choking the life out of the people of this country are, through their national banks, using to a greater or less extent the public money, and are using it to oppress the people. I say this is a public outrage and a villainous shame. Here Congress has been sitting for nearly three months, and not half a dozen voices have been raised against it; not a move has been made to remedy the evil or rebuke the crime.

On the contrary, efforts have been made to extend the privileges of the banks. I denounce it, and I trust I shall be pardoned by my Democratic brethren for my Jeffersonian and Jacksonian eccentricities on this subject. I think we have reached a time when the Democratic party can afford to be Democratic.

No, Mr. Chairman, I have already indicated that this money is not in the treasury, but in the banks. The banks are simply the lenses through which like a radiation this money reached the people. It is now in circulation, and the business of the country has adjusted itself to it.

Now, I repeat this question: Why was this money placed in the banks in the first place? I know the answer, and the only answer which can be given. It was done to avoid a panic which was then impending. Let us grant that to be true. I assert here and now that if you recall that money, as this bill is intended to do, you will inevitably precipitate a panic and nothing can prevent it. You cannot take it from circulation again through the banks without serious embarrassment.

This bill will not have the effect which is desired, nor will the Secretary of the Treasury undertake to carry it out. He dare not. He may undertake to buy a few bonds with the surplus actually in the treasury and not in the banks, or which may hereafter accumulate. He will not take the responsibility of calling the money into the treasury in the present stringency in the money market. The banks, sir, are masters of the situation and not the Secretary. But, you will answer, we can demand the money of the banks or compel them to sell these bonds held for deposits. You can do nothing of the kind. They will say to

you: Our bonds are valuable and we do not want to sell. If you want your money, we will call in our loans and pay you, but you, Mr. Secretary, must take the responsibility of a panic, which is likely to follow. That is what they will say. Another fact, Mr. Chairman: The Secretary has increased the premium on these bonds by this enormous system of deposits, and this bill authorizes him to buy the bond at the premium to which his wretched policy has boomed them. This is something worse than folly. By this policy he boomed the price of the bonds in the hands of the bondholders, and now you propose to buy these bonds back at the increased price.

Well, indeed, may the Secretary of the Treasury hesitate. He was authorized, if he saw proper, to buy under the law of March 3, 1881, but he was never authorized by any law to first boom the bonds and then buy them back at the increased premium.

If this proposition passes, and the Secretary undertakes to call in this money, I say to the business men of the country they had better stand from under. You all know that as well as I do. What shall be done then? Ah, I will tell you the remedy. What power have we, over these bondholders? I wish I had every taxpayer in the country within the sound of my voice. What have we the power to do? More than \$2,400,000,000 of interest have been paid by the people to bondholders since the close of the war, and more than \$1,600,000 of principal, making \$4,000,000,000, a sum as great as the present national debt of England.

What is the present proposition? It is that we shall compel the people of the United States to pay over 25 per cent premium on the bonds held by these bondholders. Why, that is not statutory obligation. We have never contracted to pay it. We have the money in the treasury, and we have the moral right to insist on payment at par under the sovereign power possessed by the government.

England at one time insisted upon this right and exercised the power. You will find the whole matter ably set forth in Senator Sherman's speech on the credit strengthening act and the funding bill previous to the issue of these very bonds.

Now, sir, I have the entire list in my hand of the national depositors which have been created under this policy of the Treasury Department, and they number 298, which number has probably been increased by the addition of eight or ten since the list was prepared. I append the list and ask that it be printed in the Record.

Springer—When was the policy inaugurated?

Weaver—In October last.

Randall—Earlier than that.

Weaver—It was inaugurated in October, as I understand it—that is, the present extended policy; but the law was passed in 1864, and to a limited extent banks have been designated by all the Secretaries. The policy, however of depositing the par value of $4\frac{1}{2}$ per cent bonds and 110 on 4 per cent bonds was inaugurated by the present Secretary of the Treasury during the last summer or fall. The policy, therefore, obtaining only gave the bank from 80 to 90 per cent.

McMillin—Will the gentleman from Iowa not state that, that was because the bonds were under par when the system was inaugurated?

Weaver—I know; but so were the deposits under par—very far below the value of the bonds in the market. Our bonds have not been below par for many years, and the policy of increasing the deposits was ordered by the present Secretary, as I am advised.

Mr. A. O. Grigsby, in an article published in the Northwestern Labor Union, August 20, 1887, says the interest bearing securities in the shape of mortgages, lands, etc., held by banks and other money-lending syndicates in the United States amounts to \$23,428,000,000.

We may approximate a correct statement of our aggregate indebtedness by subtracting the assessed value of the taxable property of the people. From our aggregate wealth as reported in the census of 1880, we find that the aggregate wealth was over \$43,000,000,000, while the taxable property was assessed at less than \$20,000,000,000, showing that the productive securities, reported as wealth in the census of 1880, was over \$23,000,000,000, as noted above. This indebtedness is unearned increment, pure and simple, on which the people pay an average of at least 6 per cent per annum, or a grand total of \$1,300,000,000 per annum. To pay this enormous tax to money monopolists, we have the average increase on \$20,000,000,000 of taxable property, which has never exceeded 3 per cent per annum, or in round numbers \$600,000,000 to meet an interest charge of \$1,300,000,000.

If the above statement be approximately correct, and we believe it is, the wealth of the whole people is being centralized in the hands of the bank monopoly and kindred trusts at the rate of over \$700,000,000 annually, exclusive

of that great additional centralization which taxes place periodically in times of panic like the present.

The following, taken from Michigan papers, illustrates the absorbing power in the hands of the banks:

"The history of the High School bonds of Battle Creek is a good illustration of how interest eats the vitality and sucks the very life blood out of the man who is obliged to borrow. February 1, 1870, the school district comprising the city of Battle Creek issued bonds to the amount of \$80,000 for the purpose of erecting a high school building. It was to be a credit and a monument to the intelligence of our citizens. The interest was 10 per cent. The last bonds, \$8,000, will be paid February 1, 1892. The others have been paid from year to year. When the last bond of the \$80,000 has been paid the first of February next, there will have been paid interest on the same amounting to the enormous sum of \$130,450, an amount almost equal to the cost of erecting two additional high school buildings. It is simply astonishing to read the figures. The interest alone on the last \$8,000 bonds paid has amounted to \$17,600. One of our citizens who had \$10,000 in bonds received \$14,500 interest. All these years these bonds have escaped taxation. The poor men who own a single house and lot—a home—have paid these bonds and the outrageous interest or usury. Every man who needs money to do business with is at the mercy of these money loaners or the banks. Is it a wonder that the long-suffering but patient farmers are demanding government loans at 2 per cent?"

While the banks have been absorbing wealth by interest on all they owe the purchasing power of gold has also been increasing. The New York Tribune, in 1886, published a table of figures, comparing the price of gold with that of 200 of the leading commodities produced in this country, and showed that, as measured by these commodities, gold had increased in purchasing power since the demonetization of silver over 37½ per cent. The three-fold power in the hands of the banks is: 1. Ability to contract and expand the currency at will. 2. The power to collect interest on all they owe and escape taxation and draw interest on all they own. 3. The natural increase in the purchasing power of gold of 37½ per cent because of natural causes and an additional increase of over 50 per cent because of demonetization of silver and other artificial causes.

The question now is: Shall we overthrow the banks or let the banks overthrow the republic? This is a question above and beyond party. It vitally concerns every man. The question must be answered, and answered now. From the time the first bank was established on American soil until now, individually and collectively, regardless of style, kind of name they have been prolific of disaster to the country. As a result of this banking system, says ex-Senator John J. Ingalls, 31,000 persons possess one-half the wealth of this whole country.

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CHAPTER XXVII.

BANKERS AND LAWYERS HOLD THE OFFICES.

To-day there are more bankers and bank attorneys in Congress than any other one class of men.

Read the following resolution passed by the third Congress, December 23, 1793, and approved by George Washington, President:

"Any person holding any office or any stock in any institution in the nature of a bank for issuing or discounting bills or notes payable to bearer or order cannot be a member of the House whilst he holds such office or stock."

This resolution was also signed by John Adams. It has never been repealed and yet the old political parties are sending bankers to Congress right along to make laws for us. The Forty-fifth Congress had 189 bankers in it—more than all other members combined. The present Congress is little better. The farmer, the day laborer and the merchant walk up to the polls, at the dictation of party, and deposit their ballots for a banker or lawyer and then wonder why times are hard and oats worth but ten cents per bushel.

In a speech delivered September 21, 1878, Gen. B. F. Butler said: "The Republican and Democratic party stand exactly together on the money question. Here you are sending presidents and directors of national banks to Congress and a president or director of a national bank is no worse than other men. But the trouble is their interests are against the interests of the people."

Two-thirds of the judges of our courts, from the chief justice of the United States Court down to the police magistrates in our cities, were corporation lawyers before taking their seats on the bench, and went there with pockets stuffed with free passes. In Michigan and many other States the office of Railroad Commissioner is used princi-

pally in giving future candidates for Governor a preparatory drill. A man who can and does serve the railroads faithfully as Railroad Commissioner, it is presumed, will make a good railroad Governor—vide Rich:

The Vice-President of the United States under Harrison was Levi P. Morton, senior member of the banking firm in New York of Morton, Bliss & Co. and of the banking firm of Morton, Rose & Co., London. During this time Vice-President Morton's London banking house was selected by the Department of State of Great Britain as financial agent for that department throughout England. Who wonders our financial system is servile to English interests when an American Vice-President, now Governor of New York and seeking the nomination for President, has long ago become so wedded to British interests that he can be trusted as an English financial agent in London. August Belmont, of America, at one time chairman of the Democratic National Committee, was agent and partner in the great Rothschild banking houses of Europe. The Secretary of State and former Attorney-General Richard Olney is a corporation lawyer from Massachusetts. President Harrison was a lawyer and banker. President Arthur was a lawyer and banker. President Cleveland is a lawyer and banker. Tilden and Hendricks were both lawyers and bankers. William H. English was a most successful banker, and during the campaign was called 10 per cent Bill English. James G. Blaine was a member of the Augusta bar and one of the largest owners of the Granite National Bank of Augusta, Me., an institution quite as successful in its way as the bank of Mr. English in Indianapolis. Blaine's bank doubled its capital out of the surplus three times in ten years and declared semi-annual dividends of 8 per cent besides. Thomas B. Reed, Speaker of the House of Representatives, is a lawyer and banker. Our ambassadors and ministers to foreign countries are generally lawyers and bankers. Every branch of the public service is filled with lawyers and bankers. The President almost always makes up his cabinet from lawyers and bankers. The Interstate Commerce Commission is com-

posed of corporation lawyers. In fact, this is a government for lawyers and bankers and by lawyers and bankers, owners of and attorneys for corporations. No class of people on earth pay so little tax as lawyers, unless possibly it is bankers, and no half-dozen classes hold so many of the offices and emoluments. When one stops to contemplate this he would naturally conclude the voters of the United States don't know enough to make good jackasses. Just before every campaign the representatives of the banks and other great trust combinations get together in New York and raise a fund for campaign purposes. The purpose is to elect men and only such men as are favorable to corporation interests. The candidates of the two old parties are sounded and then pledged to the corporations, the banking corporations in particular. Then the candidates who appear to be most servile, the putty men who are most pliable and the scoundrels who are most willing, are elected. Do our readers suppose for an instant that the American people are so vacillating, unstable and whimsical that they would elect Cleveland over Blaine one term, Harrison over Cleveland the next term and Cleveland over Harrison the next if there was not some unseen, some unhidden force behind all this? The election of candidates in America is no longer the act of a free people, but the act of servile partisans, under the leadership of bribed and perjured knaves. The campaign funds paid into the national and state committees by the banking and other trust combinations are divided up among county, city and township committees and captains of clans. So much of this money is put into corrupt channels for corrupting voters a strict accounting for the same cannot be had or expected; hence it opens the door for each man who handles these various funds from the state chairman down to the ward heeler to reserve out for himself a liberal percentage of moneys handled in this way. Hence every committeeman, ward heeler and captain of clan or political boss, from the chairman of the national committees down to ward heeler, is not only a bribe giver, but bribe taker. The system of American politics has been corrupted by bank corporations

and other trusts from the time the old United States Bank had its life and death battle with Hickory Jackson to this day.

Justice Taft, in an address before the National Bar Association, delivered in Detroit, August 28, 1895, said of corporations, banks, etc., as reported by the Detroit Free Press, August 29:

"In the mad rush for money which previous successes had stimulated, it is not to be wondered at that some of the accumulated wealth was corruptly used to secure undue business advantages from legislative and executive sources and that many of the political agencies of the people became tainted. The impersonal character of corporations afforded a freedom from that restraint in the use of money for political corruption which is often present when the would-be briber is an individual. Men of good repute with complacency and intentional ignorance acquiesced in the use of corporate funds to buy legislators and councilmen in the corporate interest when they would not wish or dare to adopt such methods in their individual business. The enormous increase in corporate wealth furnished the means of corruption, and the prospect of ill-gotten gains attracted the dishonest trickster into politics and debauched the weak, while the honest and courageous were often driven into private life. The genius of corruption in politics which the corporation called up has lived to plague them, and although great companies have secured all they wish from legislative bodies, they are regarded by the political blackmailers as fair game, and their corruption fund must still be maintained to prevent oppression. The people, not unjustly, have charged all these evils to the management of corporations." This coat fits the banking corporations and the politicians from Cleveland and Sherman down to the "honest money" howler in the county office and on the county newspaper so well, even including the corrupt Supreme Court, that declared the income tax unconstitutional, that we can't help but put it on here. Even Justice Harlan, in giving his dissenting opinion on the income tax decision, denounces the conclusions of the majority in terms like these:

"This decision may well excite the gravest apprehensions. It strikes at the very foundation of national authority, in that it denies to the general government a power which is or may at some time in a great emergency, such as that of war, become vital to the existence and preservation of the union."

Again:

"If this new theory of the constitution, as I believe it to be, if this new departure from the way marked out by the fathers is justified by the fundamental law, the American people cannot too soon amend their constitution."

And again:

"The practical, if not the direct, effect of the decision to-day is to give to certain kinds of property a position of favoritism and advantage that is inconsistent with the fundamental principles of our social organization, and to invest them with power and influence that may be perilous to that portion of the American people upon whom rests the larger part of the burdens of the government, and who ought not to be subjected to the dominion of aggregated wealth any more than the property of the country should be at the mercy of the lawless."

And yet again:

"It is cause for profound regret that the highest tribunal of the land has thought it appropriate to intimate that the law now before us had its origin in a desire upon a part of the majority in the two houses of Congress to impose undue burdens upon the people of particular States."

But Justice Harlan went far beyond that. He held up the same threat which Attorney-General Olney and James C. Carter had employed unsuccessfully to influence the decision of the court on a question of pure law. He predicted almost civil war and anarchy to his associates. We quote again from what is perhaps the most remarkable "opinion" ever rendered in the Supreme Court of the United States:

"But this is not all. The decision now made will inevitably provoke a contest in this country from which the American people would have been spared if the court had not overturned its former adjudications, and had adhered to those principles of taxation under which our government, following the repeated adjudications of this court, has always been administered."

And a little further on:

"Is a given body of people in one corner of the United States, although owning vast properties, from which uncounted millions are regularly derived, of more consequence in the eye of the constitution and the judicial tribunals of the land than the like number of people in other parts of the country who do not enjoy the same prosperity? Are those in whose behalf arguments are made that rest upon favoritism by the law-making power to mere property and to particular sections of the country, aware that they are provoking a contest which in some countries has swept

away, in a tempest of frenzy and passion, existing social organizations and put in peril all that was dear to the friends of law and order."

Judge Hoar, formerly a United States Senator from Massachusetts, in his speech at the Belknap trial, said:

"My own public life has been a very brief and insignificant one, extending little beyond the duration of a single term of senatorial office. But in that brief period I have seen five judges of a high court of the United States driven from office by threats of impeachment for corruption or maladministration. I have heard the taunt from friendliest lips that when the United States presented herself in the east to take part with the civilized world in generous competition in the arts of life the only products of her institutions in which she surpassed all others beyond question was her corruption. I have seen in the State of the union foremost in power and wealth four judges of her courts impeached for corruption and the political administration of her chief city become a disgrace and a by-word throughout the world. I have seen the chairman of the Committee on Military Affairs in the House, now a distinguished member of this court, rise in his place and demand the expulsion of four of his associates for making sale of their official privileges of selecting the youths to be educated at our great military school. When the greatest railroad of the world, binding together the continent and uniting the two great seas which wash our shores, was finished, I have seen our national triumph and exultation turned to bitterness and shame by the unanimous reports of three committees of Congress—two of the House and one here—that every step of that enterprise had been taken in fraud. I have heard in highest places the shameless doctrine avowed by men grown old in public office that the true way by which power should be gained in the republic is to bribe the people with the offices created for their service, and the true end for which it should be used when gained is the promotion of selfish ambition and the gratification of personal revenge. I have heard that suspicion haunts the footsteps of the trusted companions of the President" (Grant). Are not the above words of Judge Hoar sufficient reasons for the success of the Republican party for, over thirty years—official corruption.

An additional illustration of the corrupting power of corporations and trusts can be seen in Grover Cleveland's bond sales during the panic. The Grand Rapids Evening Press of February 22, 1895, had the following editorial, truthful and to the point:

THE BOND SALE.

"The Morgan-Rothschilds syndicate, which purchased the recent issue of bonds, is now marketing its purchase in New York and London, and its course sheds considerable light upon the nature of Mr. Cleveland's transaction. It did not invite bids from intending purchasers, but fixed the price at which it would sell the bonds and asked of capitalists how many they wanted at those figures. The price in New York was $112\frac{1}{4}$ and in London about 113. In each place the allotment was subscribed for several times over as fast as the bids could be taken in and listed.

"This transaction shows two things—that the credit of the United States government is very high, and that the members of the syndicate knew when they closed a contract for the bonds at $104\frac{1}{2}$ and refused to sell for less than $112\frac{1}{4}$, that they had gotten a good bargain out of the President, and knew that a coin bond would command a market. It shows also that had Mr. Cleveland offered a loan upon the open market he would have had no trouble in disposing of it, and that when he secretly sold the entire issue to this syndicate, he took away at least nine millions from the people, and put it into the pockets of a coterie of friendly bankers. However honest Mr. Cleveland's own intentions may have been, such a transaction is little less than robbery of the taxpayers. Senator Chandler's characterization of it as a most remarkable transaction was very mild, and his threatened investigation cannot but uncover chicanery on the part of some one.

Among other curious features of the agreement with the syndicate, in addition to the extraordinary low price of $104\frac{1}{2}$, is a clause binding the government to accept short weight coin to the extent of one-half of one per cent, thus enabling the bankers to clear a profit of \$315,000, not much when the millions forming the aggregate are considered, but still a very tidy sum.

Altogether the object lesson the president presented to Congress is a very edifying one, and the more closely it is studied the more instructive it becomes.

A BOSTON PLUNGER.

Abraham White's Successful Bid for Bonds and His Profits.

Bankers in Boston are astonished at the successful

plunge made by Abraham White for a share of the new issue of bonds.

White made a bid for some of the issue, and has secured \$1,000,000 in his own name, at 111.53, while to his wife was awarded \$500,000 at the same figure. He had everything to gain and nothing to lose, even had he been awarded the full \$5,080,000, the aggregate of his bids. By a bold stroke he has made himself the envy of hundreds of men who are out in the cold.

White has already netted \$10,940 profit by selling \$200,000 at 117, and he is holding off for \$100,000 bonus on his bargain, having refused \$10,000 less than that. He expects to realize \$150,000 on his foresight, as he has no doubt that figure will run up to 120 or more.

Rome, Egypt and Chaldea, in their palmy days of corruption, were babes in crime, compared with the bank syndicates of Cleveland, Sherman & Co.

CHAPTER XXVIII.

CLEVELAND AND MCKINLEY—THE SIAMESE TWINS OF WALL STREET.

The position taken by the writer that the real cause why Cleveland was re-elected the second time after being once defeated by Harrison is not because the people of America are fickle, but because the corrupting power of Wall street and the bank power had their finger on the electric button. Cleveland's star of destiny arose in Wall street and it may set in blood. The following article, written by Murat Halstead, taken from the New York Associated Press and published in the Detroit Evening News, Sept. 24, 1892, gives a prediction of what has happened under Cleveland and shows what then was, relative to Cleveland's control by the money power—a state of things inside the Democrat ranks such as existed when August Belmont was chairman of the Democratic national committee and called on Seymour and Blair to resign because not favorable to the moneyocracy, while it was known that Grant was what Cleveland now is, a Wall street candidate and President.

MONEY RULES.

That Is Murat Halstead's Idea—An Article by that Celebrated Editor—Wall Street Has a Tight Grip on Cleveland—But Not on Harrison, According to Mr. Halstead—And This May Break Up the Too Solid South.

New York, Sept. 24.—With an experience in reporting national political conventions beginning with those that in 1856 nominated Buchanan at Cincinnati and Fremont at

Philadelphia, I attended the Minneapolis and Chicago conventions this year, and have to testify that when those bodies assembled there was great uncertainty as to the candidates they would present. It was certain the Republicans would indorse the Harrison administration—not at all settled that the President would be nominated. There was nothing positive about the ticket or platform of the Democracy. The determining influence with the Republicans was in the private expression by telegraph of public opinion favorable to Harrison. The undecided delegates were instructed by the country.

Mr. Cleveland was in the lead at the beginning of the Chicago canvassing, but not decisively, and he was more aided by ex-office holders than Harrison was by office holders. The Democrats who have been noisy about post-masters at Minneapolis have forgotten their own predicament at Chicago.

The conspicuity of what the people who live in the center of the continent miscall Wall street, meaning the power of the great aggregations of capital, was greater at Chicago than at Minneapolis, and had a commanding influence upon the Democratic proceedings. The conservatism of President Harrison was well known, and it is a fact that has had much force in it, pushing the fortunes of Mr. Cleveland, that the millionaires and billionaires who are pleased to be Democrats, and they muster heavily in New York, regard him as a safe and sound man from the Wall street point of consideration. It is this condition that has produced the immense campaign fund provided in both races of Mr. Cleveland for the presidency, and the reputation of liberality of expenditure was very soothing in southern and western delegations.

The compensation the capitalistic Democrats required in return for their promises to pay Mr. Cleveland's campaign expenses, was that there should be in the platform a money plank that would be understood as solid gold both in Europe and America. They got it in the words "intrinsic and exchangeable" value, that all dollars shall be up to the gold standard intrinsically and exchangeably. That is, there must be no more silver dollars that will not sell in the world's markets for as much as gold dollars. Here we have the Democratic party declaring for the English system. The New York Evening Post, a few days after the Chicago convention, explaining that Mr. Cleveland was not personally responsible for the tariff planks, either the one proposed first or substituted, stated that a wire was held for him, but the tariff literature was not sent over it, only the money resolution having the distinction of the direct

approval of Mr. Cleveland from Gray Gables. So great was the solicitude on this subject that a gentleman was "charged with the duty" of sending the money declaration to Mr. Cleveland, and knowing it would suit him before the committee reported it to the convention. This may have far reaching consequences. President Harrison is a bimetalist, and has appointed representatives of the United States to an international conference, summoned at his suggestion. One of the representatives is Senator Jones, of Nevada, the ablest advocate in the world of silver as money in the standard, of equal dignity with gold. But England sees a new light, and it is announced that her participation in the conference will be merely nominal. One thing is her change in government. But a change in the government of Great Britain affects as a rule neither the money standard nor foreign relations. The gold plank of the Democratic party tells the representatives of the nations that meet us in conference that the silver question is no longer important in this country, that the great party favorable to silver has abandoned it. The silver states may, therefore, credit the Democratic capitalistic influences at Chicago with spolling the international silver conference. In the 10,000 words with which Mr. Schurz has just stated his excuses for supporting Cleveland, he gives a paragraph to the admonition of business men, that the defeat of Cleveland would, in his judgment, revive the silver question. This is cheerful reading for the cheap dollar Democracy of the silver and cotton states.

Mr. Cleveland was industrious for two years to identify himself with the phrases "honest money" and "sound currency."

Subsequent events proved that Halstead was right and that Cleveland could be trusted by Wall street. Blaine could not: he was for unlimited coinage of silver and opposed to Chinese cheap labor. He was too strong for Wall street. Harrison could not a second time. He was conservative and would undoubtedly—judging from his record as President—sign a free silver bill. Cleveland could be trusted by Wall street. McKinley can be trusted by the protective tariff trusts and undoubtedly by Wall street, but to make assurance doubly sure, Wall street and the 4,000 millionaires in America have placed him on the yellowest kind of a gold platform. He was used successfully by the tariff trusts, the gold trust can depend upon him. He is as clay in the hands of the potter, a sycophant as well. He is

wanting in every element of greatness. He has all the faults and none of Cleveland's virtues, and Cleveland was trusted until he became so distasteful to the people that Representative Howard introduced a resolution in Congress to impeach him.

The resolution was as follows:

I do impeach Grover Cleveland, President of the United States, of high crimes and misdemeanors on the following grounds: 1. That he has sold, or directed the sale of bonds without authority of law. 2. That he sold, or aided in the sale, of bonds at less than their market value. 3. That he directed the misappropriation of the proceeds of said bond sales. 4. That he directed the Secretary of the Treasury to disregard the law which makes United States notes and treasury notes redeemable in coin. 5. That he has ignored and refused to have enforced the "anti-trust" law. 6. That he has sent United States troops into the state of Illinois without authority of law and in violation of the Constitution. 7. That he has corrupted the politics through the interference of federal officeholders. 8. That he has used the appointing power to influence legislation detrimental to the welfare of the people; therefore, be it

Resolved, by the House of Representatives, That the committee on the judiciary be directed to ascertain whether these charges are true, and if so, to report to the House such action, by impeachment or otherwise, as shall be proper in the premises. And said committee shall have authority to send for persons and papers.

When the clerk ceased reading, Mr. Howard, who had arisen to address the House, was suddenly taken off the floor by Mr. Dingley, the floor leader of the majority, who raised the question of consideration against the resolution. The question was promptly put by the speaker and by a practically unanimous vote the House declined to give Mr. Howard a hearing. The House then settled down to dull routine.

Here note the fact that Nelson Dingley, a Republican banker in Congress from Maine, a member of the bar, a journalist and floor leader of the House, backed by the Republican party, rushed to Grover Cleveland's rescue; drew the Wall street as* out of the pit all because he had been carrying out the Republican financial policy of the last thirty years. Cleveland is more popular in the Republican party than in the Democratic to-day and has more followers. How can McKinley be more faithful to the Republican policy than Cleveland has been?

CHAPTER XXVIII.

EXPLANATION OF BANK STATEMENTS.

Samuel Storer, in an article in the *Chicago Express*, March, 1888, opens up the sworn bank statement of the First National Bank of Chicago in fine style. Mr. Storer's method of dissecting this bank statement will apply when dissecting all bank statements. The article is as follows:

A BLOOD-SUCKER.

Some Astonishing Facts and Figures About the Profits of Banking—An Expert Accountant Analyzes a Cashier's Sworn Statement and Exposes the Leech.

(From the *Chicago Express*.)

"Vox populi, vox Dei. The voice of the people is the voice of God."

"Every American citizen knows that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty and the pursuit of happiness; that all men are severally entitled to enjoy the fruits of their own production, and to enjoy in common the light and the air, and all the natural productions within and upon the earth; that to secure these rights governments are instituted among men, deriving their just and only powers from the consent of the governed; that whenever the representatives of such government enact laws that become destructive of these ends, it is the right of the people to demand their repeal, and to require the enactment of such other laws as will secure to all classes equal and exact justice, with special privileges to none.

The Constitution of the United States is the fundamental law of the nation, and contains within its fold all the legislative authority given to Congress; and before assuming the responsibilities of their positions, the Constitution provides that "The Senators and Representatives, and the

members of the several State Legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath to support the Constitution of the United States; and in doing this, they promise to confine their acts within its restrictions and limitations."

Nowhere in the Constitution is the power given Congress by letter, word or implication, to create corporations for banking, or for any other purpose. Therefore, the national banking act and the general banking system is forced upon the people in violation to the authority of the Constitution.

Congress can not lawfully delegate its own specific powers to others, nor can it delegate powers which it does not possess.

The Constitution provides that "No State shall emit bills of credit," but Congress unlawfully authorizes national banks (private corporations created for private speculation) to emit bank notes, which are the same as "bills of credit." How can Congress authorize a private corporation to perform that which the Constitution says a State shall not do, and that corporation acting without the authority of a constitutional law?

Whether constitutional or not, banking and all other corporation laws are destructive of the best interests of the producing classes.

Corporate power embraces all the elements of selfishness; creates and divides the people into two classes—masters and slaves; soulless capital and greed on one side and poverty on the other—trampling under foot the inalienable right to enjoy life, liberty and happiness as declared and established by our fathers.

The horse-thief has the same right under the Constitution to rob the farmer of his horse as the banker has to rob the people of their hard earnings by usury: and why should not Congress "grant letters of marque and reprisal" to the horse-thief and place him on the same honorable footing as it has placed the banker and usurer? The horse-thief is certainly as much entitled to the same favorable consideration as the usurer. The horse-thief, to make his business a success, requires pluck, nerve and daring, while the banker and usurer, like a coward that he is, sneaks under cover of an unconstitutional law.

The horse-thief makes no restitution to the farmer for the stolen horse, nor does the banker attempt to satisfy the claims of justice by refunding to the people any portion of his usurious plunder. Both the banks and the horse-thief are alike the enemies of a Christian civilization. And

why should Congress legalize the acts of the one and not the other? The effect produced upon society by the one is the same as that produced by the other; the only difference, the horse-thief is the lesser evil of the two, because the bad effects produced upon society are less general, consequently less destructive to the many.

Banking is usury. It is a system by which a real value is obtained without rendering an equivalent. The First National Bank of Chicago obtains by usury from the hard earnings of the people every year, not less than \$1,211,521.60, for which the bank renders not one cent in return. This robbery is committed under the cover of an unconstitutional law, a law which is alike destructive of manhood to both the robber and the robbed. By this crime the soul of the banker is deadened to all the finer faculties of humanity, and the workingman is prevented the enjoyment of that which is of his own creation.

For proof in support of these charges we present the sworn statement of the condition of the First National Bank of Chicago, dated Dec. 7, 1887:

RESOURCES.

Loans and discounts.....		\$14,347,835 61
Overdrafts		9,988 64
U. S. bonds to secure circulation.....		50,000 00
U. S. bonds on hand.....		43,900 00
Other stocks and bonds.....		702,284 40
Due from other national banks.....	\$2,631,623 27	
Due from State banks and bank- ers.....	1,066,085 72	
		<u>3,697,708 99</u>
Real estate, bank building.....		500,000 00
Checks and other cash items.....	1,287 50	
Exchanges for clearing house.....	815,752 53	
Bills of other banks.....	120,000 00	
Fractional paper currency, nickels and pennies	2,841 17	
Specie	3,724,767 15	
Legal tender notes	888,000 00	
Redemption fund with U. S. Treasurer (5 per cent of circula- tion).....	2,250 00	
Due from U. S. Treasurer other than 5 per cent redemption fund	24,000 00	
		<u>5,578,898 35</u>
Total		\$24,930,615 99

LIABILITIES.

Capital stock paid in.....	\$3,000,000 00
Surplus fund	1,000,000 00
Undivided profits	541,119 92
Dividends unpaid	2,116 00
Individual deposits, subject to check	\$8,948,873 18
Demand certificates of deposit..	1,115,058 63
Certified checks	237,827 50
Cashier's checks outstanding	63,647 78
Due to other national banks.....	6,289,804 34
Due to State banks and bankers.	3,732,168 64
	<hr/>
	\$20,387,380 07
 Total.....	 \$24,930,615 99

When analyzed it stands as follows:

RESOURCES.

Interest-bearing paper—

Loans and discounts	\$14,347,825 61
U. S. bonds to secure circulation.....	50,000 00
U. S. bonds in bank.....	43,900 00
Other stocks and bonds.....	702,284 40
	<hr/>
Total interest-bearing paper.....	\$15,144,020 01

Cash—

Bills of other banks	\$ 120,000 00
Fractional currency, nickels, etc.....	2,841 17
Specie	3,724,767 15
Legal tender paper currency.....	888,000 00
	<hr/>

Total available cash\$ 4,735,608 32

Other resources—

Due from other national banks.....	\$ 2,631,623 27
Due from State banks and bankers.....	1,066,085 72
Overdrafts	9,988 64
Real estate, bank building.....	500,000 00
Checks and other items	1,287 50
Exchange for clearing house.....	815,752 53
Redemption fund U. S. Treasurer.....	2,250 00
Due from U. S. Treasurer other than redemp- tion fund	24,000 00
	<hr/>

Total other resources\$ 5,050,987 66

RECAPITULATION—RESOURCES.

Interest-bearing paper	\$15,144,029 01
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Available cash.....	4,735,608 32
Other resources	5,050,987 66
Total resources	\$24,930,615 99

LIABILITIES.

Capital stock	50,000 00
Surplus Fund—	
Surplus fund added to capital stock in error	2,950,000 00
Surplus fund per statement.....	1,000,000 00
Undivided profits	541,119 52
Total surplus fund	\$ 4,491,119 92
Deposits—	
Individual	\$ 8,948,873 18
Demand	1,115,058 63
Total deposits	\$10,063,931 81
Other Liabilities—	
Dividends unpaid	\$ 2,116 00
Certified checks	237,827 50
Cashier's checks	63,674 78
Due to other national banks.....	6,289,804 34
Due to State banks and bankers.....	3,732,168 64
Total other liabilities	\$10,325,564 26

RECAPITULATION—LIABILITIES.

Capital stock	\$ 50,000 00
Surplus fund	4,491,119 92
Deposits	10,063,931 81
Other liabilities	10,325,564 26

Total liabilities \$24,930,615 99

According to the sworn statement of the cashier, the capital stock of this bank is \$3,000,000. This, he knows, is not true, and contradicts himself by stating that the "U. S. bonds to secure circulation is \$50,000." This proves that \$50,000 was the original and to-day the actual capital stock of his bank, and that \$2,950,000 of the \$3,000,000 is a part of the "surplus fund," and was transferred to the account of capital stock for the purpose of deceiving and blinding the general public.

By the summary under the head of "Resources," it will be seen that the interest-bearing paper held by this bank is \$15,144,020. Divide this amount by the capital stock, \$50,000, shows that the First National Bank of Chicago is drawing interest on \$302.8804 for every \$1 of its original

investment; and to multiply \$302,8804 by 8, the legal rate of interest allowed by the laws of Illinois, shows that the rate of interest drawn on its actual capital of \$50,000 is 24.230432 per cent per annum, netting the bank an income of \$1,211,521.60 per year, which is the same as 8 per cent per annum simple interest on the \$15,144,020 interest-bearing paper held by this bank.

By another summary, under the head of "Liabilities," it will be seen that the "surplus fund" amounts to \$4,491,119.92—an amount equaling nearly ninety times the bank's original capital—being a net gain, after paying all expenses of clerks, books, blanks, etc., and paying large dividends to stockholders.

This is only one bank, and this one bank has accumulated a surplus equal to ninety times its original investment. And, with the millions at its command, this bank is to-day multiplying its capital over twenty times per year. With this usurious system of banking, coupled with other corporate methods destructive to productive enterprises, there is no wonder that our farmers are crippled with low prices for their products, and that the mortgages upon their farms are unpaid; that mechanics and laborers are struggling between life and death for the actual necessities to keep the wolf from their doors, and that the small merchants of both city and country are falling one by one into the trap of bankruptcy.

Are these the conditions vouchsafed to American citizens? For an answer read the declaration of our fathers and the history of our revolution.

Was it intended that our government should be administered in the interests of free men or for the special benefit of soulless corporations? The Constitution answers it was "to establish justice, promote the general welfare of we, the people, and to secure the blessings of liberty to ourselves and our posterity." But, in defiance of the letter and of the letter and spirit of the Constitution, our law-makers have unlawfully created and delegated to soulless corporations unlimited powers to rob and plunder the people of their homes, to dictate the prices of farm products and of wages, irrespective of value, to prescribe the liberty of speech, to prevent the free exercise of American citizenship, and to reduce the working and producing classes to a state of poverty, tramps and criminals; and, to appeal to the powers that be, there is no redress. For, under and by the authority of "letters of marque and reprisal," granted via Congress, Washington, D. C., the banker and corporate tyrant says to the people, "Yer money or yer life! and don't

you peap." And, with all its arrogance, this corporate tyrant, this autocrat with millions of resources, can not pay its debts. Other people's notes will not pay debts. Debts can be liquidated only with money, and that money a legal tender.

This inflated bombast swears that the amount due from his bank to depositors is \$10,003,931.81, and that his available cash is only \$4,735,608.32, admitting a shortage of \$5,328,323.49, besides other indebtedness amounting to \$10,325,564.26 which he can not pay, and even worse than that, his total indebtedness is \$24,930,615.99, and he holds only \$4,735,608.32 in cash with which to meet this obligation. And this is the condition of every bank in the United States.

But this is not all. The greater the income of the banker the less the farmer can get for his products, and the less is the wages of the workingman.

The laws of Illinois allow 8 per cent. per annum for the use of money, but the First National Bank of Chicago is scooping in a little over 2,423 per cent per annum on an investment of \$50,000, netting it an income of \$1,211,521.60 per year. Thus is accumulated usury on usury, multiplied without limit, under the cover of laws that are not authorized by the Constitution of the United States or that of any single State.

The capitalistic press can not crack their usual joke that the writer of this article is a "blarsted furrener," nor that he is an Anarchist. He reads and stands square on the Constitution of his country. He can trace his blood along the lines of the battle of the revolution under the leadership of a Washington, and in all the wars of the republic. He stands on the constitutional rights of an American, and fears not the bristling bayonet, the rope or the bastille. He knows just what he is doing, and he knows that the power of corporate despotism must be broken or the liberties of the people will soon be counted among the things of the past, and that their franchises and privileges will be measured only by dollars and cents. And then, workingman, your condition, and that of your wife and children, will be none other than that of the serf, the perpetual slaves of your corporate master. The continuation of corporate power means the perpetual serfdom of all the producing classes.

The only way out of this trouble is the complete union of all the elements of productive industry, and to vote solid, as one man, for the repeal of all laws, both national and State, creating private corporations, and to demand the

enactment of such other laws as will secure complete reward to honest individual effort, with special privileges to none, and equal and exact justice to every citizen.

To vote for Democratic or Republican candidates to any office means the continuation of corporate power, and will be taken and understood as an approval of existing laws with their attendant demoralizing effects upon productive industry.

Democracy and Republicanism are one and the same, and both are owned and controlled by corporate capital.

The Union Labor party presents to the people a platform of principles based on the Declaration of Independence and the Constitution of our country.

Awake, O, my countrymen! "The voice of the people is the voice of God." Choose ye quickly whom you will serve. Autocrats and corporate slavery or political and industrial liberty.

SAMUEL STORER.

The following statement was put out by the State Central Committee of the Union Labor party of 1890. It is substantially correct:

For a period of twenty years the Republican party retained control of national affairs by waving the bloody garment, and by warning the people against permitting rebel brigadiers to regain control of a government they attempted to destroy. The war, reconstruction, and magnified southern outrages occupied the attention of the people whilst the great national robbers were enacting legislation to fleece them of the fruits of their labor. The introduction of the tariff question is on this same line, by this same class and for the same purpose. Capital thoroughly understands that it is just as possible to rob and utterly despoil labor under free trade as under protection.

The financial policy of the government for the past twenty-five years under Republican and Democratic control has been peculiarly adapted to further the interests of the speculative class, who have within that time absorbed the whole increase of national wealth, amounting to the sum of thirty-five billion of dollars, and to-day are using this immense sum in controlling the prices of manufactured articles, and in depreciating the value of homes and farms, the products of the soil and the wages of our laborers. The following statement cannot fail to convince any sane person as to the cause of our present condition: We pay annually

For the support of the General Government	\$ 387,000,000.84
State, County, Town and Municipal taxes.	420,000,000.00
Profits to manufacturers.....	1,257,408,008.00

Profits to railroads	391,000,000.00
Pay insurance companies	95,586,979.00
Pay interest on mortgages and loans.....	2,240,000,000.00
	<hr/>
Total	\$4,790,984,982.84
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Yearly increase of wealth at 4 per cent....	\$2,600,000,000.00
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	\$2,190,984,982.84

This amount taken yearly from the people in excess of the natural increase of wealth must within a short period absorb the \$23,000,000,000 remaining in the hands of the people.

The homes of our people are mortgaged for sixteen billions of dollars, requiring the enormous sum of one billion two hundred and eighty million of dollars to meet the annual interest charge.

Forty-six billion of dollars of wealth escape taxation, there being only nineteen billion assessed in the United States out of our estimated sixty-five billion of national wealth.

Taxation entails an annual debt per capita of \$12.46.

The contraction of the circulating medium has caused all values to shrink. \$5.07 per capita, the amount now in actual circulation, has made 70 cent wheat, 20 cent corn, increased the burden of debt, and makes possible the establishment of a landed aristocracy on the one hand, and a system of tenantry on the other. Immediate, united and harmonious action on the part of the producers of wealth is necessary to save the country from bankruptcy, and its people from wage slavery. If they but once stand together at the polls and vote aright they can wipe out all the evils affecting our industrial system.

Hon. Ira S. Haseltine, in a speech delivered in Congress, May 16, 1882, gave the following quotation from Daniel Webster. Webster said: "There never has been devised by man a plan more specious by which labor could be robbed of the fruits of toil than the banking system. The people not only take bank paper as money, paying interest on it at enormous rates, but when the banks suspend the people lose the discount, while the bankers gain it. The people wonder why financial panics occur so frequently. I can tell them why. It is to the interest of the bankers and brokers that they should occur. It is one of the specious methods by which these despotic and utterly useless knaves

rob the producing, the manufacturing and the mercantile classes of their honest earnings. It is one of the chief plans by which this infamous ring is riveting the chains of slavery upon the limbs of labor. It is one of the chief means adopted to build up a money aristocracy that shall live in idle luxury and ape the pretentious airs of European nobility." When this scathing denunciation was uttered there was only one United States bank with five branches, together with a small number of State banks. Now there are nearly 3,800 national banks and over 5,000 State and private banks. What think you Jackson, Benton and Webster would say to-day could they see this vast army of banks resting upon a nation of slaves to their rapacity and greed.

In the same speech Ex-Congressman Haseltine enumerates the special privileges granted to the banks:

1st. The government holds their bonds in safe keeping (in trust, Comptroller Knox says) for them without charging them a cent for the favor.

2d. It collects the interest on their bonds from the people and pays it over to them free of charge.

3d. It furnishes them with \$900 of bank notes as a free gift to loan out for every \$1,000 of bonds they deposit with the government.

4th. It allows them to draw interest on their bonds (i. e., the people's bonds), and their own bank notes at the same time—a two-fold interest.

5th. It imposes no tax either on their bonds or on their money, but exacts that much more of the people.

6th. It places \$800,000,000 of the people's money called "the deposits" in their possession to speculate on and establish banks on.

7th. It allows them to draw interest both on what the government (the people) owe them and what they owe the people.

8th. It authorizes the treasurer to pay them one year's interest in advance, that they may have it to speculate on.

9th. A law enacted for their special benefit, June 20, 1874, authorizing them, after they have flooded the country with their notes and inflated prices of all property to high figures, to suddenly contract their circulation and thus contract and prostrate business and ruin the country.

10th. The law (January 19, 1875) authorizes them, after they have invested very largely in the property they have thus reduced to half price to inflate their circulation again and raise prices so that they can make larger fortunes by selling at high prices the property they had bought up for a trifling sum.

"Has the government bond upon which the national bank is based any better security than the legal tender?"

CHAPTER XXIX.

THE BANKERS' LABOR UNION OF COUPON CLIPPERS.

With all these privileges at their command—special and monopolistic in their nature—the banks have not been satisfied, but have besieged every session of Congress for additional favors. Annually the Bankers' Association has memorialized Congress for additional benefits. The following resolutions were passed at one of their conventions prior to 1879:

The following resolution was offered by Mr. Camp, of Wisconsin:

Resolved, That the executive committee be requested to prepare and lay before the convention, and submit to the bankers of the United States as early as practicable, a plan by which the entire banking system of the country may be united to aid the Treasury Department in its efforts to resume specie payments.

Resolved, That it is the sense of this convention, that the business of the country demands that the banking interests of the United States be relieved from all taxation by the general government, except an annual tax on their circulation, to cover the expenses of the Currency Bureau, and that the taxation of bank shares by States be levied in the same manner only, and to the same extent, and subject to the same privileges and immunities as other personal property.

The following resolution was referred to the Executive Council:

Resolved, That a committee be appointed at this convention to memorialize Congress to pass an act authorizing the General Government to sell the new 4 per cent bonds at par in currency, and guaranteeing to national banks investing in these securities that they shall be allowed under the law to issue in circulation the par value of these securities.

This circular was sent out before the convention:

If possible, before attending the convention, you are

respectfully urged to see or write to your Congressman and Senator, urging them to give their best attention to our bill, which will be introduced into the House as early in the session as possible for the repeal of the ruinous taxation on the banking business.

From that time to this we have secured their addresses and circulars both public and private. The writer received the following invitation while connected with the editorial staff of a New York newspaper:

The American Bankers' Association,
No. 247 Broadway, Room No. 4,
New York, July 1st, 1881.

THE AMERICAN BANKERS' ASSOCIATION,

No. 47 Broadway, Room No. 4,
NEW YORK, July 1, 1881.

To the Editor:

Dear Sir—We have the pleasure to enclose for your information copies of some documents which have been sent to our members relative to the annual convention of this association at Niagara Falls, N. Y., on the 10th, 11th and 12th of August next. Please give to the convention, from time to time, such notices as you may deem most conducive to the advancement of the great national interests which are to be the subjects of our deliberations. Any reporters and editors representing your valuable journal will receive programmes of the proceedings with full information and other facilities at the meetings of the Niagara Convention, to all of which you are respectfully invited. We shall also be pleased to give you at all times, from this office, any information in our possession as to banking and financial topics.

Yours truly,
GEORGE MARSLAND,
Corresponding Secretary.

The banking system was conceived, born and nursed in conspiracy against the government. Its germinal life came from Lombard street, London. It was wet-nursed by the agents of the banking house of Rothschilds in New York. It was patterned after the bank of England. The woeful financial legislation in Congress for the last thirty years is due to the machinations of this organized conspiracy against the government and the people. We publish the following bank circulars and correspondence connected therewith, after having investigated their genuineness and

being satisfied they are just what they purport to be. Some years ago we worked for a New York banking house and at one time had a seat on the Consolidated Stock and Money Exchange, with offices at 45 Broadway. The writer has personal knowledge that the circulars are correct and as represented. We know much other similar work has been done by the Bankers' Association. We have many other similar circulars and documents which we obtained ourselves in New York at headquarters. These circulars show the methods by which the money power gets in its work.

This one issued by an agent of London capitalists to the New York capitalists in 1862:

THE HAZZARD CIRCULAR.

Slavery is likely to be abolished by the war power, and chattel slavery destroyed. This, I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care for the laborer, while the European plan, led on by England, is for capital to control labor by controlling the wages. **THIS CAN BE DONE BY CONTROLLING THE MONEY.** The great debt that capitalists will see to it is made out of the war must be used as a means to control the volume of money, to accomplish this the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make the recommendation to Congress. It will not do to allow the greenback, as it is called, to circulate as money any length of time, as we cannot control that.

Upon this plan the fight against the greenback has been made ever since the act passed Congress, April 12, 1866, to retire and cancel that currency. This panic is a part of that plan. In accordance with that plan the following circular was issued by the Bankers' Association:

BUEL CIRCULAR, OCT. 9, 1877.

Dear Sir: It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the issuing of greenback paper money, and that you also withhold patronage or favors from all applicants who are not willing to oppose the government issue of money. Let the government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the law creating national bank

notes, or to restore to circulation the government issue of money will be to provide the people with money, and will therefore seriously affect your individual profit as bankers and lenders. See your Congressman at once, and engage him to support our interests that we may control legislation.

JAMES BUEL,
Secretary, 247 Broadway.

The work was systematically done. The press of the country subsidized. Everything being in readiness the following circular, which is the one referred to by Rev. Thomas Dixon in his pulpit, Sept. 10, 1893, was issued.

March 12, 1893.

By Bankers' Association to all national banks:

THE PANIC BULLETIN.

Dear Sir: The interests of national banks require immediate financial legislation by Congress. Silver, silver certificates and treasury notes must be retired and the national bank notes upon a gold basis made the only money. This will require the authorization of from \$500,000,000 to \$1,000,000,000 of new bonds as a basis of circulation, you will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a money stringency felt among your patrons, especially among influential business men. Advocate an extra session of Congress for the repeal of the purchase clause of the Sherman law and act with the other banks of your city in securing a large petition to Congress for its unconditional repeal, per accompanying form. Use personal influence with Congressmen, and particularly let your wishes be known to your Senators. The future life of national banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of government legal tender notes and silver coinage.

HOW DID IT WORK?

Now let us examine the corroborative evidence.

On page 333 of the Chicago News Almanac there is a table on national banks taken from the official reports showing that on March 6, 1893, just before this circular was issued, the national banks had loans and discounts outstanding to the amount of \$2,159,614,092 48, and on October 3 it was \$1,843,634,167 51, a reduction of \$305,979,024 97 in five months.

The infamous conspirators who proposed to scare the American people into extending and strengthening their robber monopoly had overdone the thing. It brought on a

general panic, and people drew their money from the banks too fast to suit the conspirators. In other words, the banks were hoisted by their own bomb.

They had called up spirits from the vasty deep they could not control. And so they were compelled to hustle around for money themselves.

But it has been a good lesson to the people. And some of these days they will elect men to office who will make laws to kill the bankers' system.

The conspiracy against greenbacks and the silver currency blackens. The panic is on; the people are frightened; Congress is assembled in extra session. The Bankers' Association, which has its hands upon the throttle valve of the treasury and the banks, issues another circular:

EXTRA SESSION LETTER.

(Original copy of this letter is in possession of the Express, by kindness of Geo. C. Ward.)
To the Bankers of the United States:

Gentlemen—The extraordinary monetary crisis through which the United States are now passing, which involves the banks of the country to an extent that compels their officers to remain constantly at the post of duty while the danger is imminent, has constrained the American Bankers' Association to indefinitely postpone its annual convention called for the 6th and 7th prox., at Chicago. This will prevent such expression upon the part of the association as the financial situation demands, which otherwise would be made. It thus becomes the duty of the officers of the association to speak for it at this time, and suggest what seems to them to be the proper action for the bankers of the country to immediately take with a view to obtaining speedy relief from the continued and disastrous stringency.

It is manifest that the immediate cause of the prolonged stringency is the fear and apprehension of disaster engendered in the minds of the people by the continued purchases of silver by the government, and by the unceasing issues of its obligations therefor, redeemable in gold, which fear and apprehension can only be removed and confidence restored by the removal of the cause. It is believed that the bankers of the country will understand and realize this to as great, if not to a greater, extent than any other class of citizens, and it therefore becomes the duty of such of them as fully realize this to urge upon their fellow citizens, and upon Congress, the great necessity for the immediate and unconditional repeal of the purchasing clause of the Sherman silver act.

The repeal of this clause is demanded in the interests

of those favoring a gold standard, and of those favoring the use of silver with gold, as the continued purchase of enormous quantities of silver with gold obligations can only result in the final inability of the government to redeem such obligations in gold, and in the continued over-production and consequent further depreciation of silver, thus rendering the prospect of any international agreement for its more general use throughout the world more hopeless than at present.

The President of the United States having convened Congress in extra session and recommended to it such repeal, the power of public opinion should be brought to bear upon Congress to induce favorable action thereon. This may best be done by invoking the aid of the press, and by citizens writing to their Senators and Representatives, and by sending to them petitions urging such repeal; all of which should be done to the fullest extent possible and without delay.

A blank form of petition is enclosed, to be circulated among merchants, business men and others for their signatures, to which additional sheets may be appended. Act at once in the matter and secure the intelligent co-operation of others, providing them with printed or typewritten copies of the petition for the purpose. Respectfully,

WILLIAM H. RHAWN,
President.

E. H. PULLEN,
Chairman Executive Council.
H. W. FORD,
Secretary.

This circular we copy from the Chicago Sentinel, and know the original was in the hands of the Chicago Express at the time of publication. The writer met Mr. Sharp at the office of Col. Crandall, in Washington, about the time the Hazzard circular was published and saw an original copy of the same. We know the statement of Col. Sharp is correct. There is no valid ground for questioning the genuineness or validity of any of the above circulars. The following we copy from the Chicago Express, afterwards published by Col. Norton in the Chicago Sentinel:

TESTIMONY AS TO THE HAZARD AND BUEL CIRCULARS.

Col. Lee Crandall—In reply to your polite request of yesterday, expressing a desire to be informed of the origin

of the Hazzard Circular, copied by the National View some four years ago from the Council Grove Guard, then published by me at Council Grove, Kas., I have to say that I obtained the original copy from a Mr. J. W. Simcock, the cashier of the First National Bank of Council Grove, Kas. I at that time—say about the year 1873—was attorney for the bank, and one day when the cashier was writing up and arranging a large number of accumulated letters and other papers of supposed value, either he or I came across the Hazzard Circular, together with the "American Bank Circular," signed by one Buell. I asked Mr. Simcock for these two circulars and he gave them to me then, and at the same time, in reply to questions I asked him, he said that their day of usefulness was over, that his friends in New York, some bankers there, sent them to him that he might better understand the origin and history of the national banking system, as he was a comparatively new banker. I kept them for the light they threw upon the financial questions of the times, and published the Hazzard Circular first in 1886, omitting the date therefrom for the reason that it had dropped off, having been so folded that when I came to print it the head had been lost off. The date was that of the summer or fall of 1862, but the exact month or day I cannot recollect, November, I think. Very respectfully,

ISAAC SHARP.

728 Tenth St. N. W., Washington, D. C., August 20, 1890.

Col. Norton, of the Sentinel, was given an original copy of the Buel Circular by a friend in Bloomfield, Iowa, soon after it was issued, and has never parted with it.

CHAPTER XXX.

BRIBING THE PRESS.

The following in substance has oft been published, but this the Express gives just as found in the bound files of the Inter-Ocean of the date given:

Inter-Ocean, Monday, October 29, 1877.

The Inter-Ocean acknowledges the receipt of the following singular document which came to this office from New York, Saturday morning:

The American Bankers' Association,
247 Broadway, Room 4,
New York, October 9, 1877.

Strictly Private.

Dear Sir—Please insert the inclosed printed slip as leaded matter on the editorial page of your first issue immediately following the receipt of this, and send marked copy with the bill to Yours truly,

JAMES BUEL, Sec'y.

247 Broadway, Room 4.

Comments on the slip, not to exceed half a column, will be paid for if billed at the same time. J. B.

The following is the document which we are asked to insert as leaded matter on the editorial page, in other words, as a statement made by the Inter-Ocean:

"The Greenback party has offered through its managers to sell out to the Democrats and hereafter to work in Democratic harness if a few of their leaders can be provided for. This shows how much dependence there is to be placed on the leaders of the lunatics who clamor for money based on nothing."

We insert this, but we shall send no bill for it. We shall send no bill because, in the first place, we do not follow directions about leading it; secondly, we can't believe a word of the statement to be true. We do not know who is managing the affairs of the American Bankers' Association, but whoever he is we advise that body to get rid of him without delay. The attempt to thus maliciously destroy the Greenback party without submitting a word of

proof is a piece of effrontery which ought to be beneath any body of commercial gentlemen, and especially the American Bankers' Association.' We refuse to believe that such an extraordinary document was authorized by that body.

Since the above was in type we have received a copy of the New York Sun containing the above circular, which it appears was sent to that paper also. The Sun publishes the document with editorial comment, from which we quote as follows:

"This we say is an extraordinary circular, with an extraordinary slip. It will be seen that the slip is or assumes to be an item of news. It is an item that none of the ubiquitous reporters of the Sun had been able to get hold of. If any of them had brought it to us properly authenticated by documentary or other evidence, we would not have asked him to pay us for printing it, but on contrary, we would have paid him well for procuring it. It will be observed, however, that the scandalous item which we are asked in the name of the American Bankers' Association to publish, has two peculiarities: First, no proof of its accuracy is furnished; and, secondly, we are offered money for its publication as "leaded matter on the editorial page of this day's Sun. This is remarkable business to be performed in the name of the American Bankers' Association.

"Our astonishment is increased by the postscript which appears at the bottom of this circular. It informs us that 'comments upon the slip not to exceed half a column will be paid for.' This means, of course, that the editorial comments that are to be paid for must sustain the slip on the editorial page that is to be paid for. * * * But is this attempt to bribe and corrupt the press, by the direct offer of money for editorial articles made under the authority of the American Bankers' Association, the name of the secretary of which is signed to the circular above printed? We call for information upon this point, and shall wait for it. If authority has been given to bribe the press, then very certainly attempts will be made to bribe Congress, and corrupt the sources of influence at Washington in the same interest. It is a shameful business, if there be not some mistake about it. Let the truth be brought out. Let a responsibility for this circular be fixed."

If this circular is a forgery we shall be glad to make it known.

Following is the printed slip offered for the Sun to print editorially:

"The prospect is that in six months there will not be

a greenback leader in all the land. Overtures have been made by the leaders of the Greenback movement to President Hayes to abandon the greenback as a lost cause, provided he will give good official positions to about twenty of the most blatant of the clamorous for money that is based on nothing.

Let the readers of this book mark here and mark it well that now the evidence is out. Evidence that amounts to proof that the editorials and news items which have been published in past years by the newspapers of the country, charging Greenback, Populist and labor leaders with having sold out to any party have been inspired, written and published by and at the solicitation of the National Bankers' Association. They have been paid for by that association. Look back over the list of papers that have been publishing these lies, then stop and think. The Bankers' Association has not hesitated to bribe and corrupt the press, but has broken down, or tried to break down, the characters of honest men, good men, patriotic men. "Men who their duties know, yet know their rights, and knowing dare maintain."

In the language of Gen. Massey:

The few shall not forever sway,
The many toil in sorrow;
The powers of hell are strong to-day,
But Christ shall rise to-morrow.

And again:

We are beaten back in many a fray,
But newer strength we borrow;
Where the vanguard camps to-day,
The rear shall rest to-morrow.

Again, May 2, 1896, another bank circular has appeared, which found its way into Congress and was read on the floor of the United States Senate by a member of that body. We publish it in connection with an editorial published in the Arenac Independent June 12, 1896:

CHAPTER XXXI.

WALL STREET THREATENS ANARCHY.

Those who cannot see that the silver question is a struggle between Wall street and the foreign bondholders on one side and the manufacturers, merchants, farmers and wage-earners of the United States on the other is either wilfully or ignorantly blind.

It is the great money power of the world that toll not neither do they spin that is attempting to fasten the gold standard on us, and in doing so virtually declare to the world's toiling millions and business men that they care not one iota how many of us are driven into bankruptcy, pauperism and starvation, nor whether civilization goes down again into a night more terrible than existed in the dark ages, providing they, the favored few, are permitted to sit in palaces and fare sumptuously every day. What care they though the farmer raises everything at a loss measured in their gold dollar and sees himself getting further behind every year, or that thousands of our laboring men are tramping the land begging the lords of land and money for leave to earn their bread, or that thousands are driven annually to a pauper's grave and to murder and suicide or that factories are closed because the people have not the money to buy their wares or that merchants are driven to bankruptcy by constantly falling values of their stock. What care they for all this wreck and ruin while they can build million dollar palaces, give \$20,000 banquets and turn up their noses at what they call the ignorant masses.

Below we give an extract from a weekly financial review from Wall street, issued by Henry Clewes, which

represents faithfully the prevailing sentiment amongst our bondholding and Wall street gentry:

"Wall street has learned to believe that there are greater potencies than party platforms, than legislative subserviency to popular ignorance, than the madness of a partisan infatuation. There are situations and events which can constantly coerce and convert the most reckless legislator into the willing servants of a conservative sentiment that represents the real interests and safety of the nation. It will not be necessary to wait for any effects of silver legislation to remedy its mischiefs, although that would be a perfectly safe course. The near prospect of the authorization of free coinage—a counting of heads showing a certainty of a two-thirds vote in the House and Senate for 16 to 1—would evoke in Wall street the kind of conditions that no Congress has ever yet dared to disregard, and the cause of free coinage would be overthrown at the moment when its success seemed most certain. It is this reserved power on which Wall street is now reposing."

Every American citizen should ponder well these words. In brief, they mean that even though two-thirds of the American people should be in favor of restoring silver to the place it occupied before 1873 in our monetary system and thus bring back values of the farmers' products and labor to the prices ranging then and there would be such a majority in Congress so pledged, still Wall street would prevent it by "evoking conditions that no Congress has ever dared to disregard." It is a declaration that Wall street is more powerful than the American people, and that no policy that they oppose can be enacted into law. Should any Populist make a declaration that they would defeat the will of the people as expressed by a two-thirds majority vote, what would the financiers of Wall street say of such a declaration? They would brand it as "treason," "revolution," "anarchy," and so it would be. A man who uses such language as is contained in Mr. Clewes' circular is a traitor to his country and not fit to be a citizen of a republic. Many a man has gone to the scaffold for a less treasonable utterance.

In the darkest days of the republic, when our farmers and laboring men were at the front fighting to maintain the union, these Wall street gentry were at home asking

Lincoln 36 per cent per annum for the use of their hoarded gold to aid in putting down the rebellion, while our citizen soldiery had left their farms and workshops and were risking their lives at the front. Lincoln said then, in answer to the intelligence of the exorbitant demands of Wall street in that crucial hour of the republic, "I wish every one of them had his devilish head shot off," and they are to-day the same selfish, over-reaching, heartless traitors to humanity and their country they and their class have ever been in all ages of the world, and the sentiment that Lincoln gave utterance to is becoming a most popular sentiment to-day amongst all intelligent loyal citizens of our republic.

In no uncertain words the doctrine of popular government is repudiated by these selfish, aristocratic, bond-holding crew. The people are plainly told that they are too ignorant to know what they need.

Let these hook-nosed gentry and their tory agents in this country beware lest they goad a patient and long suffering people to madness, and instead of simply asking that the crime of 1873 be undone and the dollar of our constitution restored and the people thus put in a position to save themselves from poverty and ruin, they will be confronted with a demand of 70,000,000 outraged and impoverished people for absolute repudiation of all national and bonded indebtedness. Let them reflect on the arrogance of the slave power and its consequent ruin before they go too far.

Circulars threatening Congress and the people have come out so frequently during the war and since that this last threat by Henry Clews and co-members of the New York Stock Exchange and leaders in the Wall street gold conspiracy against the government for over thirty years created a storm of indignation from members of Congress and the press of the country. The Detroit Evening News of June 9, 1896, had the following editorial:

The business of the people of the United States is very sick. There is no question about that. All admit it, gold-bug and silver crank alike. Industry is suffering a chill; commerce is wasting away under a low fever. The rival

schools of financial medicine are quarreling over the patient, and each insists that his prescriptions and his alone will effect a cure. The eastern doctors are most strenuous in their claims of having all the wisdom and all the science. The newspapers printed east of the Allegheny mountains are unanimous that the whole trouble is due to the terror inspired in the patient by the mere presence of the silver quack and the fear that he will be some time admitted to give the sick man a dose of his medicine.

Mr. Henry Clews, of New York, in his weekly financial review, makes this diagnosis of the case in every issue. The practice has been going on ever since the war closed. New York has constantly assured the country that the finances and the currency must be regulated to suit her or everything else would go to smash. Everything has gone to smash two or three times, and New York has each time become only more confident in her position and more arrogant in its assertion. In a recent number of his review, Mr. Clews, speaking for his section and his class, said: "The sole obstacle in the way of an active and rising market is the condition of politics." "Wall street is the point at which the greatest sensitiveness of the silver agitation centers." The situation is discouraging "for it shows to what dangerous ends an ignorant free suffrage may be prostituted." "Wall street is not in any degree insensible to this crisis;" "it is aware that startling results may come out of either of the party conventions;" "but Wall street has learned that there are greater potencies than party platforms, than legislative subservency to popular ignorance, than the madness of a partisan infatuation." Wall street can save the country in spite of the country. "It will not be necessary to wait for any after effects of silver legislation to remedy its mischiefs." "The near prospect of the authorization of free coinage would evoke in Wall street the kind of conditions that no Congress has ever yet dared to disregard, and the cause of free coinage would be overthrown at the moment when its success seemed most certain. It is this reserved power, on which Wall street is now reposing."

Now, there is something strangely inconsistent in this series of threats and prophecies and explanations. First, please bear in mind that ever since the close of the war the finances of this country have been in the hands of men who have abjectly obeyed Wall street. From McCullough, Grant's Secretary of the Treasury, to the gentleman who at present licks Mr. Cleveland's boots before he expresses an opinion, there has not been a single head of the treasury who did not conform his policy to the opinion of New

York. Secondly, Congress has never failed to meet the wishes of New York.

Here is doctor who has been at the patient's bedside for thirty years, in absolute control of his diet, medicine and nursing. The poor *dévil* of a patient has been sick ever since, with brief intermissions, and he is sick now almost to death. The doctor in charge, responsible for the whole treatment, confesses that the patient is in a bad way, but that it is all due to that rascally silver quack who has been coming around the house and trying to get employed. The patient is afraid the fellow will get in and give him a dose, and the fear has shattered his nerves. If we recall the history of the gold cure which has been steadily administered since the close of the war, we shall discover some more discrepancies.

First dose: The advance in the value of paper currency from thirty-five cents on the dollar to about eighty, thus doubling the credit of the government and doubling the weight of all private debts. This was followed by the panic of 1873, begun by the failure of Jay Cooke.

Second dose: The resolution to resume specie payments, which steadily advanced paper to par, and increased the weight of debts proportionately. This kept the panic of 1873 on for over five years, knocked prices steadily down and ruined every debtor in the country.

Third dose: It was believed that the currency having attained par, could go no farther, and that prices would now advance, and this expectation, coupled with the exhaustion of stocks, had a wholesome effect for a time. Prices did advance, and there were good times for a year and a half, but that was the end. People had not yet realized that the gold cure doctor had surreptitiously administered a big dose in 1873, which could not operate upon the patient's system until the paper had reached par with coin. Then it began to work. The silver had all been purged out of the patient in order to give the gold a chance. The currency still advanced with gold, as compared with silver and all other commodities, and as soon as manufacturers' stocks were resupplied, down went prices again, and down went the country with them.

Fourth dose: The second election of Mr. Cleveland to the Presidency, with the absolute assurance that the gold treatment would continue for at least four years more. He was scarcely seated in the Presidential chair when the present panic began.

Fifth dose: The repeal of the silver purchase law. Wall street at that time told us that it was nothing but the Sherman silver purchase law which brought on the panic

of 1893, and that the moment that was out of the way prosperity would return. They had elected Mr. Cleveland to repeal that law among other things, although the measure had been invented by one of themselves to save the country from the silver quacks. The Sherman law was repealed, and the panic got worse than ever. Prices fell all along the line, failure followed failure, and factory after factory closed its doors.

Still the gold cure doctor holds his sway in the sick man's room, and no medicine but his comes within smelling distance of the patient. The latter is about on his last legs. Nothing but the native strength of his constitution keeps him alive, and the doctor in charge, the same old gold cure fellow, says he is so weak and hysterical that he will incontinently croak from sheer terror unless that silver fellow is kept away from the house altogether. But Dr. Clews has really no fear at bottom. He knows what Wall street will do if the worst comes. If it should appear that the irregular silver practitioner is going to get access to the patient, Wall street will make a panic, and frighten the whole family into submission. There are many who think we have a pretty stiff one on now, and that it couldn't be much worse, even though Wall street were to fall in a fit.

How does it happen that Wall street, the National Bankers' Association and the money loaners, in the language of the New York Tribune and Henry Clews, can defeat any measure of Congress at a moment's notice? How does it happen that these gold conspirators, "honest money" (?) robbers, interest-gathering buccaneers, wholesale confiscators of all productive property, can rule, run and ruin the nation? How does it happen they can contract the currency, withdraw their loans to business enterprises, refuse credit, tie up the greenbacks, change the unit of value, corner the national currency, demonetize half the people's standard or redemption money, or the whole of it, corner gold, make Black Fridays' force the President to issue bonds, bring periodical panics, fill the country with hell every ten years, drive the debtor classes into bankruptcy and suicide? How is it, we ask, and answer, because the government has by legislation surrendered the control over her monetary affairs up to banks, bankers and usurers, and not a man in the whole class but is more

dishonorable, dishonest and a greater robber than any saloon-keeper in the land, because he who takes interest gets something for nothing, and the interest payer has no power to stop it. He who sells whisky sells enthusiasm and that which costs him labor and capital. And the purchaser can take it and pay the price or not, as he chooses. The banker being a double and triple interest gatherer, one who gets interest on his debts as well as his capital and rehypothecates his debts in clearing house certificates and certified checks is a quadruple usurer, a distiller of damnation to poison the land. These are the fellows who belong to and run our churches, endow our colleges, found our theological schools, rob our people and threaten to defeat every measure of Congress by bankrupting our nation if we dare to withstand their financial piracy. God deliver the nation from such Christian hypocrites. The rum power compared to this is but an egg shell on the ocean beside a first-class man-of-war. This money power, this gold trust, must be destroyed if every drop of innocent blood in the land be required to do it. The legalized crimes of bankers and money loaners will yet turn the names of the Chicago anarchists into those of martyrs and cannonize them as saints. This panic will be the last banquet feast of the bankers and usurers.

Humanity will hail the tolling bell with joy, announcing the life's departure of a class that robbed the world of hope and made all others paupers by deceit.

The money loaners have an organized party as much so as the A. P. A. or Federation of Labor. They have a bureau for issuing propaganda favoring the English gold system. Their circulars are sent out monthly by thousands. May 22, 1896, Senator Butler had read in the United States Senate and inserted in the Record a copy of a circular letter sent out by the American Bankers' Association to all the bankers of the country, urging them to unite for their own protection and work to send gold delegates to the national conventions. He introduced it as "proof of the most awful conspiracy of modern times."

Then, standing behind Senator Sherman's chair, he

made a bitter attack upon the Ohio man, whose financial views he denounced in the most unmeasured terms. "When Maj. McKinley is elected this fall," he said, "he will undoubtedly make the Senator from Ohio his Secretary of the Treasury, and the Senator from Ohio will then proceed to carry out the infamous and treasonable policy which has disgraced the present Secretary's name. We cannot expect anything better from him after what he has said here. Then, if we cannot deprive him of this arbitrary power, God help the country."

No agreement for a vote on the bill could be reached, and the Senate adjourned with matters in a tangle.

The bill was merely an effort to take from the President the power he possessed—under the infamous resumption act and concurrent legislation—of issuing bonds in times of peace to buy gold to fill the treasury reservoir for the Jew bankers of Europe, the Rothschilds, Barrings, etc., and the Jew gold brokers of New York, Lazard Freres, L. Von Hoffman & Co., August Belmont & Co. and others too numerous to mention. During the debate on this bill Senator Mills dwelt on the great power invested in the executive which enabled him to speculate in the blood and sweat of the people, which the present executive had not hesitated to do. He wanted the power curtailed; he had more faith in the patriotism of Congress than in that of the executive. Then he roasted Hill for his cuckoo policy, and became violent and abusive, as did nearly every speaker of the day.

Senator Clark, of Wyoming, declared that the country had never been so in danger of the usurpation of authority by the executive as now. The legislative branch of the government was already overshadowed by the executive, and a bill could not be reported by a committee without executive sanction. Several Senators denied this, but were silenced by Clark.

THE FIGHT OF THE DAY.

Then came the most sensational combat of the day. It was a scene between Senators Sherman and Teller.

Senator Sherman said: "This bill is a crime to be de-

nounced from every housetop. It would be a violation of public faith to pass it, and a violator of public pledges is as disgraceful as a violator of private faith."

Instantly Senator Teller was on his feet, his face flushed with anger. "I do not wish to prolong this discussion," he said, looking straight at Sherman, "but I cannot sit here and allow these remarks to go unrebuked. The Senator from Ohio knows that when he says it would be a violation of public faith to meet our obligations with silver that he states what he knows to be untrue. This effort to fasten a gold standard upon the country is destroying honest politics and honest opinion, as it is destroying the Democratic party, and will destroy the Republican party."

Mr. Teller declared that he had lost faith in Presidents and preferred to trust Congress to maintain American credit. He accused Senator Sherman of representing not the people's interests, but the interests of the gold exporters.

Who wonders in this presence of facts that John Sherman is more admired by Englishmen than Americans, and that under the head of "Foreign Notes," on page 8 of the Chicago Times of August 14, 1895, we find the following:

"It is reported that the Bank of England has ordered portraits of President Cleveland and Postmaster-General Wilson to be hung in the bank in recognition of their work against free silver."

The Detroit Tribune of June 28, 1896, had the following:

Grand Rapids, Mich., July 28.—The State and National bankers of the city held a session yesterday afternoon to consider the relations of bankers to politics. The bankers are reticent as to what was done, but it is understood that the movement starting in Washington to use the right kind of influence on delegates and the Democratic convention was discussed.

The threat embodied in the circular of Henry Clews & Co., expressing the sentiments of the money loaners' federation of non-laborers, is simply to overthrow all legislation hostile to the 200 cent gold dollar by universally calling in their loans as fast as they come due, demanding the payment of every mortgage as it falls due and refuse its renewal or the renewal of any other loan except upon a contract embodying a clause demanding that all payments, principal and interest, shall be paid in gold. This will multiply bankruptcies and foreclosures, force all men to make contracts only in gold and men who have property

or produce to sell to demand gold. It is a threat of wholesale confiscation. The debtor class comprise over four-fifths of the population of America; the creditor class less than one-fifth. The assessed valuation is only \$64,000,000,000; the indebtedness is at least \$35,000,000,000. Harris M. Plaisted, in his message to the Legislature of Maine while Governor in 1880, said: "There are 5,000 millionaires in America and 3,000,000 tramps. Twenty years ago a millionaire was as rare as a prince; so was a tramp." In a speech delivered in the United States Senate, in the last Congress, 1896, Senator Tillman said: "A well-informed man on the naval committee told me a day or two ago that by actual computation there were 4,000 millionaires in America whose aggregate wealth averages over \$6,000,000 apiece; that \$24,000,000,000, or three-eighths of the entire nation, is owned by 4,000 men. Who is the creditor class that wants 200-cent dollars? Less than 14,000,000 men—the 4,000 millionaires and their agents, tools and camp followers, including office holders and lawyers. Who is the debtor class? It consists of 56,000,000 of toilers, business men, workers in the hive of industry, producers of wealth, all in debt, many of them ignorant and uneducated, but all honest. It is a slander most foul, a lie most infamous, to accuse them of wanting to pay their debts in 50-cent dollars. There never was a 50-cent dollar in America. Any legal tender dollar, any dollar that pays taxes and revenues at 100 cents is a 100-cent dollar. The people of America have a demand for seven or eight hundred million silver dollars to pay taxes and revenues annually, for which purpose they pass at 100 cents each, and consequently can't be cheap. So long as that demand exists they never will pass for less than 100 cents. The man who says otherwise is a slanderer and liar and knows it, and God knows it and will punish him accordingly. The scheme on the part of the money loaners' federation of non-workers to defeat any and all silver legislation by calling in loans and demanding gold contracts shows the enormous power one-fifth of the American people possess over the other four-fifths. It is the power of usury and the usurer. It is the power that overturned the government of Athens and destroyed her laws. It brought Solon one of her seven wise men to the front with new laws. It caused Nehemiah to denounce the Jews. The habit of taking interest destroyed the Jewish nation and drove that unhappy people broadcast over the face of the earth. Interest is the fruitful seed that bears revolution. No man ever went into the business of money loaning without becoming meaner, stingier and a smaller

hearted man with each hundred he loaned. Like the saloon business, the very nature of the thing brings its own curse; it increases avarice, which is sin. The gold contract business is already in vogue. The writer wanted a loan on Chicago real estate, and wrote to F. A. Cummings & Co., real estate and investment brokers, Chicago, to make it for us or sell our real estate. They could not sell, but replied they could make a loan on one-third valuation if we would give a gold contract or trust deed, pay 7 per cent interest, 3 per cent commission, \$25 attorney fee and pay also for posting abstract and tax history at a cost of \$7 and \$1 50 each additional transfer. The fees and extras paid to make loans in this country make or raise the interest average to from 10 to 12 per cent. The talk about low interest is all rot. What the usurer don't get in interest he gets in fees and commissions.

CHAPTER XXXII.

PROTECTION AND BANKING CREATES CONGESTION OF WEALTH.

The following open letter to Czar Cleveland fully and unanswerably shows what centralization can and congestion of wealth is caused by the two monsters, protective tariffs and bank systems. It is written by ex-Gov. Fishback, of Arkansas, and quotes figures liberally from the national census. It was published in the Post-Dispatch April 15, 1896:

"There is abroad in the land, Mr. Cleveland, a not unfounded suspicion that you are not aware of the existence (except upon the map) of any other portion of the great country over which you preside than New York and the States east of the Alleghenies and north of the Potomac.

* * * * *

"For an illustration, a few corrupt government officials, together with a syndicate of money-lenders, might accumulate several millions of wealth by issuing national bonds of a country and mortgaging without their consent the entire property of the people to secure their payment, but this corrupt accumulation of wealth would be scarcely regarded as an evidence of the prosperity of the people who would have it to pay. Quite the reverse.

"Congestion of wealth in the body politic is as much an evidence of disease as congestion of the blood in the animal body. That such a congestion has taken place in this country, let the following facts from the census reports abundantly attest.

"That you may appreciate the full force of these startling statistical disclosures, let me resort to comparison and contrast of periods.

"I select the last decade before the civil war, from 1850 to 1860, when economic conditions in the United States were normal and our government had not yet entered into corrupt alliances with the law-created wealth of the world, and the last decade since the war, from 1880 to 1890, as

being freshest from the complications of war and reconstruction.

"In 1850 the New England and middle States combined (and these are the only States whose interests you seem to think entitled to your consideration) had more than twice as many miles of railroad as 'the south.' Ten years afterward, in 1860, 'the south' had 387 miles more than they.

"In 1850 the New England and middle States combined had \$260,000,000 more of wealth than 'the south.' Ten years afterward, in 1860, 'the south' had \$750,000,000 more than they.

"During this decade the New England and middle States combined increased their wealth \$2,460,000,000, while the south increased theirs \$3,480,900,000, or upward of \$1,000,000 more than all New England and the middle States combined.

RESULTS OF CLASS LEGISLATION.

"In 1860, although the south had less than one-fourth of the population of the union and less than one-third, including slaves, and though the white men of the south did little or no work, while the negro did only so much as he was compelled to do, and although the south had but little over half as much invested in farms as the balance of the union, yet she produced \$377,000,000 more of agricultural products than all the rest of the United States combined.

"Is it possible, Mr. Cleveland, to suppose from these facts that, left to inherent wealth-creating capacity, any part of the New England or the middle States could ever successfully compete with the south? And practically since her labor became free?

"Yet remark the overwhelming reversal after our laws began to create wealth for a favored few.

"In the last decade, from 1880 to 1890, Massachusetts, one of these same New England States, grew in wealth in these ten years \$11,000,000 more than Nebraska, Iowa, Illinois, Indiana, North Carolina, South Carolina, Georgia, Alabama, Mississippi and Louisiana, all combined.

"These are ten among the most fertile States of our union, and are sixty-one times as large and have nine times as many and just as industrious people as Massachusetts.

"Ask and answer to yourself, Mr. Cleveland, why this wonderful contrast of the two periods?

COMPARATIVE INCREASE IN WEALTH.

"Pennsylvania, one of the most barren of these middle states which the south was so surpassing during the first decade, in the last decade, from 1880 to 1890, grew in wealth \$13,000,000 more than Kansas, Nebraska, Iowa, Illinois,

Indiana, Kentucky, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi and Louisiana all combined. These thirteen states are nearly fifteen times as large and have more than four times as many people as Pennsylvania. Why this remarkable change? New York, another one of these same middle states, grew in wealth during the last decade \$7,000,000 more than Kansas, Nebraska, Iowa, Illinois, Indiana, Kentucky, Tennessee, West Virginia, Virginia, North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi and Louisiana all combined. These sixteen states are nearly sixteen times as large and have more than four times as many people as New York. Why this reversal?

"Rhode Island, another one of these New England states, is perhaps the most barren patch of the continent. It is not as large as the two smallest counties of Arkansas. It has less than one one-third as many people as Arkansas, yet this little patch of sand and stone and salt water grew in wealth during the last decade \$41,000,000 more than the four great states of Illinois, Indiana, South Carolina and Mississippi all combined. The four states are 136 times as large and have twenty-one times as many people as Rhode Island—just as earnest, just as honest, just as industrious people, all toiling just as eagerly to make wealth.

"Mr. Cleveland; will you pause long enough from pushing your schemes to inquire why this astounding change in the two decades?

"I had indulged with many others the belief that the New England tariff was the chief factor in this congestion of our national wealth, but recently published statistics, gathered since the passage of the Wilson tariff bill, forbid this conclusion. For they show a still more startling condition of the disease.

TARIFF CUTS NO FIGURE.

"In one single year, from 1893 to 1894, the State of Massachusetts grew in wealth upward of \$24,000,000; Pennsylvania grew upward of \$46,000,000; New York grew upward of \$225,000,000, three times as much as all the distinctively manufacturing states combined, while the entire south and west suffered an aggregate loss of \$400,000,000 in this one single year.

"These are not predictions Mr. Cleveland; these same telltale census reports disclose upon whom these enormous losses are falling, as well as into whose hands this enormous increase of wealth is falling.

"Mr. Carroll D. Wright's census bulletin No. 98 shows that, notwithstanding the enormous increase in the wealth

of Massachusetts, 82 per cent., upward of four-fifths of all the families residing in Boston, have no homes, but live in rented houses, while a large percentage of those who nominally own their homes are fighting under constantly appreciating mortgages.

"Notwithstanding the enormous increase in the wealth of Pennsylvania, 77 per cent., or more than three-fourths of the families residing in Philadelphia have no homes, while a large part of those who have homes are struggling against constantly appreciating mortgages. Notwithstanding the increase in the wealth of Rhode Island, 79 per cent., nearly four-fifths of the families of Providence, have no homes.

HOMELESS PEOPLE OF NEW YORK.

"Notwithstanding the enormous increase of the wealth of New York, 95 per cent., more than nine-tenths of the families who reside in New York city, have no homes, while a large part of the six per cent. who nominally own their homes are despondingly battling against constantly appreciating mortgages.

"This same bulletin shows another significant fact—that a larger percentage of foreign-born citizens of the United States own their homes than of natives. This might have been anticipated, for, having been bred in monarchical countries, where government by 'experts' hedged around by the doctrine of divine right has long obtained, they are better prepared for the condition which we, in this country, are but inaugurating.

"Who are the people who have no means? Are they the bankers or protected manufacturers or other financial 'experts'?"

"But these census reports do not stop even here in their disclosures.

"They show that right alongside the factory-made home markets in Massachusetts nearly 1,500 farms have been abandoned, upward of 700 of which had houses upon them. In Pennsylvania, in New York, in all New England, agriculture is in unprecedented distress and farms are being abandoned.

"I am aware that men of your class, who are far more eager to find excuses than remedies for existing conditions, glibly tell us that the fertile fields of the west have rendered the farms of New England and the other states unprofitable by reason of their competition. But these same census reports brand this as false.

DECREASED VALUES IN ILLINOIS.

"Take, for illustration, Illinois. Before the war this

was the farmer's paradise. Almost every acre of it is as fertile as the valley of the Nile and is in a high state of cultivation, giving indisputable evidence of unremitting toil and energy. Every county in it has from one to twenty railroads. Its cities have grown in wealth during the last decade about \$500,000,000. Yet the aggregate wealth of Illinois during this decade has decreased \$50,000,000, and during the single year from 1893 to 1894 it decreased upward of \$24,000,000.

"Upon whom has this loss fallen, Mr. Cleveland? Certainly not upon her cities, which have grown enormously. Not upon her manufacturing interests, for they have increased in the City of Chicago alone \$297,000,000 during the last decade, while 71 per cent of the families who reside in Chicago have no homes.

"It is the same old tale in New England and the middle states. It has fallen upon the great toiling masses who make their living by the sweat of their faces—the farmer and the laborer.

"In no part of the world is agriculture prospering except in the silver-using countries. These are prospering phenomenally and at the expense of the farmers of gold-using countries.

"These are not theories, Mr. Cleveland, still less are they predictions, but stern, unrelenting facts—stupendous facts that might well startle into remorseful reflection a fiddling Nero, if not a reckless bond-issuing president!

JAPAN AND HER MANUFACTURES.

"Mr. Cleveland, while you and your allies are so prolific of predictions (if there is a single argument in favor of the gold standard which is not based upon predictions and predictions, not one of which has ever yet been fulfilled, it has so far escaped my attention), has it ever occurred to you to cast your prophetic vision far enough in the future to predict what the result will be if this state of things continues until Japan and other silver-using countries shall have supplanted both our farmers and manufacturers in the markets of the world, as they have already rapidly begun?

"Not a single selfish prophecy of a Sherman or a Carlisle was ever as well founded as the prediction that, in this event, our masses who labor, whether in factory or on the farm, will become so impoverished that our public schools, our colleges and our churches will be declimated from sheer poverty and consequent inability to attend.

"Are not free institutions, nay, even civilization itself, at stake?

"When you were about to put upon the property of the people a \$100,000,000 mortgage last winter, acting upon your advice to the people, you called into your councils certain 'experts'—Messrs. Morgan, Belmont, Rothschilds & Co.—to advise you. You accepted this advice (we are bound in the absence of proof to the contrary, to admit, honestly, even if we are forced to do so at the expense of your sanity), and they pocketed about \$11,000,000 of the people's money as the price of their 'expert' advice.

"When about to put upon the people another mortgage a few weeks since you called to your councils one of these same 'experts'—Mr. J. Pierpont Morgan—and the newspapers of New York say that he has on file in your office two letters, one advising you to sell bonds at 104, and another offering himself to buy these same bonds, in competition, at about \$7,000,000 more than he advised you to take.

"It was under the advice of 'experts' that our government issued her first bonds, sold them to the same 'experts' for greenbacks depreciated to 40 cents on the dollar, and afterward, instead of paying them in the same kind of currency with which they were bought, they were made by 'expert'-advised law payable in coin, in violation of their contract with the taxpayers and at their expense. By this one act these 'experts' plundered the people of about \$600,000,000 and when the people complain they are denounced as thieves and dishonest knaves who would rob their creditors.

"Not satisfied with the amount of plunder, these same 'experts' procured the establishment of the national banking system, under which one of these 'experts' with \$40,000 in gold could purchase \$100,000 worth of bonds, receive 6 per cent. interest in gold on them and have donated to him \$90,000 of currency by the government to be loaned out on his own private account, thus increasing his wealth 375 per cent., not by honest toll, but by 'expert' legislation.

"It was under the advice of these same 'experts,' and by means of the same kind of corrupt law that they afterward again doubled their wealth by curtailing the supply of metallic money by one-half in 1873, thus increasing their wealth 850 per cent. by sheer legislation from 1864 to 1873.

"'Experts,' who are so fruitful of excuses, calmly tell the people that the existing condition of low prices and appreciating money and debts are the result of overproduction.

"Of course, we must admit that 'experts' really believe this, for they are accustomed to believe anything,, however false or foolish, which is to their interest to believe. But

the census reports brand this as another falsehood. In the State of Illinois alone the farmers and laborers have suffered a loss during the last decade of an amount equal to the growth of her cities plus \$59,000,000, and during the last year, from 1893 to 1894, of \$24,000,000, a total loss of \$583,000,000.

CHARGES OF WHOLESALE PLUNDERING.

“And I tell you that this means that they are unable to purchase or consume goods by this large amount of one single state. If you curtail demand you necessarily curtail supply, for nobody will produce if he cannot sell. If you curtail supply you necessarily curtail labor and machinery engaged in making this supply. So your Coxe armies of tramps and your smokeless factories are the logical, necessary, inevitable result of the ‘expert’ legislation of the past twenty-five years.

“Have ever king, clergy and nobility in Europe or the orient plundered a people more ruthlessly (however much more extensively) under the guise of law, than our own ‘experts’ to whose tender care you so considerably commend the American people?

“Mr. Cleveland, you and your ‘expert’ associates labor under the mistake that you can ‘fool the people all the time.’ Your mistake would be ludicrous if it were not pregnant with such evil portent—a portent I forbear to discuss because I shudder to contemplate.

“But, Mr. Cleveland, a parting word of admonition. You and the holders of these stolen millions—none the less stolen because wrung from a patient people under the forms of law—would do well not to forget that lesson of history, ‘Whom the gods wish to destroy they first make mad.’ I am, with great respect for your office.

“W. M. FISHBACK.

“Fort Smith, March 31, 1896.”

CHAPTER XXXIII.

CHRISTIAN SOCIALISM.

Michigan republicans have adopted a gold platform but the majority of their candidates are 16 to 1 silver men from Governor to Coroner.

Indiana republicans declared for a gold standard and McKinley, while the republicans in California adopted a free silver platform and then instructed their delegates for McKinley. Somebody will be fooled.

This is not Christian honesty. It is not Masonic honesty. It is not Philosophic honesty. It is not Pagan honesty. It is not Common honesty. It is not even sense. It is partisanship run mad, This is the grand old party. This the party of clergymen and college professors. But what can one expect from the hirelings of aristocratic churches and colleges endowed by millionaires. The church must wake up to the fact that the people require from the pulpit less glittering generalities on the Spirit of Christ and more of this philosophy; more of His political economy; more of His common every day honesty. Then let the teachers in the churches vote as they preach and pray.

When Christ came on earth he taught of heaven and God. His followers have very different conceptions of what heaven is and where it is. Many believe heaven to be an imperialism where the Great God is governor over all and exercises authority in an overbearing, haughty and unrelenting manner, consigning the majority to eternal damnation and a few to idleness and bliss. Another class believe heaven to be a communism where all persons will enjoy all the blessings, glories and happiness alike with God as an intelligent overruling force; in short a heaven of equality. A large class look upon heaven as an immense socialistic state where the law of Almighty God reigns supreme. Yet the state is so perfect, the law so natural, that all alike, though in different degree, being differently situated, and with capacities unlike, enjoy all the benefits, privileges, happiness and eternal bliss vouchsafed to one. The Anarchistic heaven is a state so perfect that law even is unnecessary, even individuals being a law unto themselves, and so perfect and fully developed that sin will be impossible, injustice unknown, where all are brothers even Christ.

The Christian heaven is a socialism where all alike enjoy the benefits of God through His grace and mercy. There is no caste in this heaven, no monopolies, no trusts, no bankers associations.

Suppose the moral stockholders of the Chicago Gas Trust when they get to heaven should conclude to corner the lighting apparatus, do you think the angels would submit. Suppose John D. Rockefeller should corner all the oil of incense and rob the worshipers around the throne. Do you think the fact that he founded a College with the stolen funds would help him to a seat at the right hand of God. Can it be supposed that monopolists will enjoy, singing praises around the throne beside the half starved working men from their factories on earth, whose wages they cut down until they went on a strike, to save money to build a seminary of learning. Every intelligent being believes in a heaven of equality, a heaven of co-operation, There can be no competition in heaven, for competition is hell. Competition is the product of selfishness, of ambition, of lust. It is the product of passion. The industrial system of the United States is competition. It is the product of the worst passions of the people. It is all rot for men and women to spend their lives talking and praying for a socialistic heaven and at the same time voting and working for a monopolistic, competitive, earth. We pray, "Thy kingdom come, thy will be done." Then why do we vote for the bankers association? Have we forgotten that Christ drove the money-changers out of the Temple with a whip. The bankers of today are the same class as the money changers were then. It is useless for Christians to taboo socialism while their highest idea of heaven is socialistic. In Luke 16-13 we read, "Ye cannot serve God and Mammon."

The parable of Dives and Lazarus is as true now as ever. Riches are always accompanied by selfish worldliness. The poor do not want charity. They want moralists to stop robbing them by bank trusts and kindred class legislation. The man who today corners gold and sells it to the government for bonds would corner the pavement bricks of heaven. The man who corners wheat, pork and cotton. The Vanderbelts, Goulds and Astors who dodge their taxes here would dodge divine service around the throne. The churchworshipers that are stockholders in railroads that run their trains on Sunday, were competition possible in heaven, would not stop business long enough to say 'good morning,' to the Master. Oh, no; heaven is not competitive it is co-operative. It is not an imperialism; it is social democracy. There is no royalty there, no aristocracy there

no honorables there, no sham there, no selfish ends, no canile there, no plebs and patricians there, no industrial slaves and protected masters there. If there was, it would not be heaven. No mansions and hovels there. All will be laborers in the field of love and joy and harmony. One family with God the Father and His children. All are one. Common, plain—enjoying the whole heavens. Now, then, why not try and improve this earth by inaugurating, so far as possible, the same conditions here. Stop praying, Lord bless the poor, but pray, Lord see me go out and bless the poor. Stop praying, Lord direct the persons in authority aright, but Lord see that the people by their votes, direct them aright. Stop praying, 'Thy kingdom come,' but rather pray Lord direct me to so vote and act that Thy kingdom will come. God is willing, we are negligent ignorant, unwilling. We are lost by God's permission, through our volition. He desires it otherwise but we will our own destruction. As free moral agents we make earth a hell through competition when it should be a heaven through co-operation and love.

In conclusion let us say it may be well for social reformers and leaders of labor organizations to observe that it is just possible that with all their vaunted wisdom, with all their social philosophy, with all their proposed economic reforms, with all their plans to better the conditions of the human race that they have left out of their plans the one element of strength which their system of sociology requires viz. the spirit of Christ. Their theories contain his body, his economy, his philosophy but not his spirit. Not the spirit of sacrifice and love. There can be no socialistic heaven on earth without the spirit of the Master Builder. There can be no permanent reform without divinity and no divinity without Christ. The golden rule, the charity, the love and last but not least the self-sacrifice. There is an unknown, unanalyzed, all powerful something, a force, the greatest of all forces, love that now permeates every atery of life which must not, can not be neglected or overlooked, in this reform movement; it is the holy spirit.

Henry D. Smith, D. D., L. L. D. in his introduction to Christian Theology, which has been most ably edited by Wm. S. Karr, D. D. professor in the Hartford Theological Seminary says of the Socialistic and Allied System (which of necessity includes the People's Party and all movements of Labor Organizations.) "Much as socialists have written on human destiny there is no work in which their system is applied thoroughly to human history. Comptes is the fullest. In human history there are three eras—of theology, of metaphysics, and of physical science. The last is the highest, having for its object the regeneration of human

society. No one conception running through the different eras is given. The end of the race is in organization and development of industrial resources, and the agents of this is the growth of the positive sciences, i. e. those which have position in time and space. This view of the third era is common to nearly all socialists. Their general characteristics: (1) They sacrifice liberty to equality. In this they are the antipodes of true republicanism. (2) They merge the natural relations of social life in arbitrary schemes. (3) They demand the organization of human society in both church and state. This reorganization is to be effected by the harmony of the passions." i. e. The passions are to be set ever against each other. No regeneration is thought of. (4) They have to do with the man in the natural and social relations exclusively. The grand results of their system is in harmony with the Pantheistic tendencies of the day, and there is progress towards the alliance of socialist, democratic and pantheistic tendencies, which will form the grand opposing power of christianity. There is however one element of truth in the socialistic scheme. It is that which looks to the doing away of the terrible contrasts between proud luxury and utter poverty. There is needed aim on a christian basis for the same ends."

After years of experience in reform work the writer concludes that all reforms to be effective must first begin in the individual reformer. Without good men there can be no good parties or organizations. There can be no harmony of the passions. These must first be subdued. The evils of all life arise from the passions. Christ taught the most perfect doctrine in that love and not hate, charity and not criticism, benevolence and avarice, liberty, equality and fraternity were the central thoughts. Socialism on the lines of Christ's love with the hope and faith of regeneration is the only socialism that is in accord with the highest of all ideals. The only true reformers, are those whose personal lives are as perfect as the doctrines they preach. Example as well as precept must be placed before men. He who spends a life in the regeneration of men, has the highest calling. True reform is that which through all the soul a genial and Christlike ferment spreads, regenerates the heart and now adorns the mind. Before such a spirit the iron grasp of combination, the devilish clutch of avarice weakens, unloosens itself; the tentacles of the Octopus wither and die; the sunshine of a new birth appears, co-operation replaces competition, and harmony replaces discord forever.

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