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The Little Statesman



ARMSTRONG



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THE
LITTLE
STATESMAN



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JUDGE J.M. CARTER

"Don't throw your vote away."



The Little Statesman

A Middle-of-the-Road Manual for
American Voters.....



EDITED BY

K. L. ARMSTRONG



"This word to all when I am dead :
Be sure you're right; then go ahead."
Davy Crockett.

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“And the Lord said unto Moses, Wherefore criest thou? Speak unto the children of Israel that they go forward.”—*Exodus 14:15.*



INTRODUCTION.



THE IMPENDING REVOLUTION.

THE purpose of this book is to present in compact form a series of articles on politics and political economy from the point of view of one who, realizing that a world-wide economic revolution is imminent, hopes that this revolution will be accomplished by reason and in peace, not by treason and violence—by book and ballot, not by bullet and bayonet. It is not intended as a special plea for the doctrines of any particular school of economics, nor is it put forth as the official utterance of any political party. The object is rather to place in concrete the arguments and principles of the several branches of Reform thought, which, while widely divergent in respect of methods, have a common aim in the emancipation of industry. Since practical economic reform is a propaganda and not merely a school of abstract philosophy, there is need of literature to assist the convert in choosing his new articles of faith. On this line “The Little Statesman” is projected.

The many elements which make up the great and growing army of Reform may be segregated into two divisions—individualists and collectivists. In the early history of this nation the men who had battled for its independence were similarly divided into two great parties—one advocating the centralization of power in the national government, the other demanding for each State sovereign independence. The flexibility of our Constitution is ascribed to the wisdom of the fathers, who sought out and adopted what was best in the ideas of both. So out of the apparently conflicting elements of the reform movement will come the ultimate solution of economic problems.

The editor is an individualist, not a collectivist or communist. The industrial commonwealth he believes to be impracticable, although he is in thorough sympathy with Socialism

in so far as it advocates the public ownership of monopolies. The people should own and operate the railroads, the telegraph, the telephone, etc., as they already do the post-office. The people should also own and operate street railroads, water-works, gas-works, electric light plants, etc. The notorious corruption of our law-making bodies is due almost wholly to their power to grant special privileges and to sell public franchises to private individuals or corporations. Legislative reform that ignores the cause of corruption is never remedial and seldom even palliative. Public ownership of natural monopolies will abolish the bribe-taker by making impossible the bribe-giver.

Complaint will be made of "The Little Statesman" because, while it touches nearly every other question, no mention is made of the customs tariff. The tariff is largely a local issue upon which the plutocrats of the Republican party and the plutocrats of the Democratic party have agreed to disagree in order to prevent the discussion of vital questions.

One of these vital questions, and the one which presents itself just now for immediate solution, is that of Money. The attitude of the two leading parties on this subject furnishes a most glaring instance of political dishonesty. In spite of the efforts of the politicians, however, the money question will not down, and that phase of it which appeals most strongly at this time to the people is the proposition to again open the mints to the free coinage of silver.

Money is the public credit, stamped or imprinted upon, or represented by, metal, paper, or any other convenient substance recognized by law or usage, and employed as a medium of exchange and a measure of values. Money is money only so long and in so far as it represents the public credit. Moses, as well as the early fathers of the Christian Church, undoubtedly adopted this view of money when they denounced usury, which is the device whereby the drones in humanity's bee-hive, monopolizing the public credit, have in all ages exacted tribute from the workers.

The right to issue money is a sovereign right and should be jealously guarded by a sovereign people. To delegate this

power to banks and money-lenders is as grave an error as it would be to confer on a class the privilege of making laws for the whole community

The volume of money should be regulated to suit the requirements of all the people and not the greed of those who thrive on usury.

The use of metals for money is unscientific, and they will eventually be relegated to obscurity with the shells, pelts, tally-sticks and other cumbrous mediums of exchange employed by our ancestors. But great reforms cannot be accomplished at once. Gold and silver are the money of the Constitution. The Act of 1873, which demonetized silver and made gold alone the basis of credit, and which, by reducing the volume of money, doubled the burden of debt, was a violation of the fundamental law of our government.

The wrong perpetrated by John Sherman in 1873 must be righted now. This is the first great step in monetary reform.

Following this, the issue of interest-bearing bonds must be stopped forever. The careful student will find that interest—usury—is at the bottom of all our financial ills. Unselfish patriotism must abolish usury by substituting the credit of all the people for that of the banks.

Every physical or moral ill is the result of some breach of natural or divine law. For generations we have violated the laws of God as they relate to money and to land.

“And if thy brother be waxen poor and fallen in decay with thee, then thou shalt relieve him; yea, though he be a stranger or a sojourner; that he may live with thee. Take thou no usury of him or increase; but fear thy God, that thy brother may live with thee.” (Lev. 25: 36-37.)

Moses, the inspired law-giver, the great soldier-poet-statesman who led a semi-barbarous people from the slavery of Egypt and made of them a nation which endured the longest in the world's history, wrote these words.

We also read: “The land shall not be sold forever: for the land is mine [saith the Lord]; for ye are strangers and sojourners with me.” (Lev. 25: 23.)

Let the Christian world cease bickering over questions of

dogma and study again the inspired law of Moses, the law which Christ came to fulfill, and a solution of all the many questions which now vex us will soon be found.

Under the Mosaic law, slaves were emancipated, human life was made sacred, debtors were liberated every seven years, inherited property was divided and paternal inheritances were alienated, luxury and extravagance were discouraged, and by forbidding land-monopoly and usury (in the Bible usury and interest are synonymous) disproportionate fortunes and vast accumulations of wealth, which have caused the decline of the world's great empires and are now threatening the foundations of modern civilization, were made impossible.

Chattel slavery no longer exists in any part of the civilized world, imprisonment for debt has been abolished, the right of the people to rule is established, but humanity is still bound in chains of servitude as galling and oppressive as in any period of its history. The rule of kings is passing away, but the autocracy of money and monopoly is seated on the throne and swaying a more imperious scepter.

But the people have it in their power to overthrow their oppressors. Here in this country, at least, we have the ballot. The duty of the hour is to study political economy, so that this weapon may be wielded intelligently and effectively. "Education" must be our watchword. It is only by education that we may hope to gain the three great essentials for perfect liberty and equality: *direct legislation—direct money—direct taxation*. These will establish forever the sovereignty of the people. If this small volume serves, even in a slight degree, to educate the beginner, to edify and encourage those who are already enlightened, or to render more cohesive and homogeneous the sometime warring elements of economic reform, the editor will feel that his reward is ample.

F. J. S.

CHICAGO, JANUARY, 1896.

A SHORT HISTORY OF AMERICAN POLITICS.

The Rise and Fall of Political Parties.

IT is only by the past that we may wisely judge the future. To correctly foresee the possibilities of the great Reform movement now in process of evolution we must know the origin, growth and decadence, the promises and accomplishments of political organizations since the United States became an independent nation.

Until Thomas Paine's "Common Sense" appeared, the subject of American independence was almost tabooed. As late as March, 1775, Franklin assured Pitt that, though he had traveled in America, he had never heard any expression in favor of independence. But men, women and children read Paine's pamphlet. It liberated them from prejudice and gave them fresh ideas and fresh courage.

Rhode Island was the first of the colonies to declare herself "free from all dependence on the crown of Great Britain." This was on May 4, 1776. The Assembly of Virginia in the same month instructed her delegates to the Continental Congress to present to that body a proposition "affirming the independence of the colonies from Great Britain." In compliance with these instructions Richard Henry Lee, of Virginia, on June 7, 1776, introduced his famous resolution: "That these united colonies are, and of right ought to be, free and independent States; that they are absolved from all allegiance to the British crown; and that all political connection between them and the state of Great Britain is, and ought to be, totally dissolved. That it is expedient forthwith to take the most effectual measures for forming foreign alliances. That a plan of confederation be prepared and transmitted to the respective colonies for their consideration and approbation." John Adams seconded these resolutions, and an animated discussion ensued. On June 8, a committee, consisting of Thomas Jefferson, John Adams, Benjamin Franklin, Roger Sherman and Robert R. Livingston, was appointed to draw up a declaration

of independence embodying the sense of Lee's resolutions. On July 2, Lee's resolutions were passed by the vote of twelve of the thirteen colonies, the New York delegates refraining from voting for want of instructions from their province. On July 3, the formal declaration, almost precisely as written by Thomas Jefferson, was presented by the committee above named, and was debated with great spirit, John Adams being the chief speaker on the part of the committee. The discussion was resumed on the morning of the 4th, and at 2 o'clock in the afternoon, after one or two slight modifications, it was adopted. The announcement was hailed with the liveliest enthusiasm. "Ring! ring!" shouted the lad stationed below to give the signal to the old bellman in the State-house tower; and he did ring until the whole city shouted for joy. The King's arms were wrenched from the Court-house and burned in the streets; bonfires were lighted, the city illuminated, and the exultation was prolonged far into the night. In New York City the populace hurled the leaden statue of George III. from its pedestal and molded it into bullets, and in all the great cities similar demonstrations of enthusiasm were exhibited.

The Declaration of Independence was signed August 2, 1776, when President John Hancock said: "There must be no pulling different ways, we must all hang together," to which Franklin replied, "Yes, we must all hang together, or we shall all hang separately."

State constitutions were adopted in the same year as follows: By New Jersey (July 2), Virginia (July 5), Pennsylvania (July 15), Maryland (Aug. 14), Delaware (Sept. 20), North Carolina (Dec. 18).

New York, South Carolina and Georgia adopted constitutions in 1777, Massachusetts in 1780, and New Hampshire in 1781. Connecticut and Rhode Island continued to use their royal charters until 1818 and 1840, respectively. Few of the State constitutions admitted religious liberty. That of Massachusetts provided against luxury, plays, extravagance in dress, diet, and the like, and every minister in the State was obliged

to read the constitution to his congregation once a year.

1778—Independence of United States acknowledged by France by a treaty of alliance and commerce.

1779—Naval victory of John Paul Jones.

1781—A French fleet in aid of the United States drives the British from Chesapeake Bay. Surrender of Cornwallis.

1782—Independence recognized by Holland.

1783—Independence acknowledged by Sweden, Denmark, Spain and Russia, successively. Definite treaty of peace with Great Britain, Sept. 3.

1789—Formation and adoption of the **Constitution**.

American politics begins properly with the close of the Revolutionary war. When the British departed they left behind them thirteen separate and independent States joined together in a feeble confederation and governed as a whole, so far as they would consent to be governed at all, by the inadequate Continental Congress. The finances were in a deplorable condition; the States were jealous of each other and of the Congress. As everything was badly defined and unsettled, there were constant encroachments and abuses, and it seemed that after achieving freedom America was about to cast it away.

During the war of the American Revolution there were two parties—the **Tories**, who were English in sympathy and held to the old doctrine of the divine right of kings to rule the people, and the **Whigs**, who were American to the core and whose platform of principles was the Declaration of Independence. About the end of the first year of the war the Whigs, inspired principally by the patriotic appeals of Franklin, Jefferson and Paine, advanced to the bold ground of total separation from Great Britain. The Tories, in turn, became the supporters of the crown. Although all who favored American independence were politically known as Whigs, they were subdivided into factions known as "Sons of Liberty," "Liberty Men" and "Patriots," the latter being the men who took the most active part in the prosecution of the war.

The Tory party drew to its ranks nearly all office-holders, "loyal" pap-suckers, many lawyers, tenants of English land-

holders, and well-meaning but weak-kneed men who thought that the Colonists had no chance—very much like many chicken-hearted third party men who vote the old party ticket because they think the third party “has no chance.” The Patriots, however, made things decidedly warm and entertaining for the Tories. Every art of persuasion, from tar and feathers to a rope’s end, was used to convince the Tories of the error of their ways. At the close of the war many of them were banished—some of them returned to England and others settled in Upper Canada. The more harmless ones were permitted to remain in the country.

The success of the war ended the Tory party, but the Whigs maintained their organization for some years. Then a new party arose, formed largely out of the old Tory party—who, in fact, went into it as a class, and the more conservative Whigs. This party was called the **Federal Party** and favored a closer and lasting union in which the States should bind themselves into a compact government. The opposing party called themselves **Anti-Federalists**, and, while generally admitting the need of a closer and more binding union, sought to preserve the sovereignty and independence of the States. Our Constitution and our form of government are the result of the two opposing forces of these early days—the radical Whigs, who believed in the doctrine of “inalienable rights” for all and in a liberal construction of the Constitution, and the conservative Federalists, who did not believe in the doctrine of equal rights and who regarded the new government rather as an elective monarchy than as a republic.

It is impossible here to do more than outline the growth of parties, but no man can be an intelligent voter who does not study the foundation of the republic. Every citizen should pursue this subject further in the pages of the *Federalist*, which argued one side of the issue, and in the writings of Thomas Jefferson, who upheld the other. It will show how high ran feeling at the time, when it is pointed out that, although the Constitution was adopted in 1787, it was ratified but by eleven States in 1788.

GEORGE WASHINGTON (1789-1797) was the unan-

imous choice of the first electoral college, and the hero of the Revolution became the first President of the United States in 1789. It is not to be imagined that even at that time the people were all of one mind about the Constitution. There is no document—not even the Bible—which is not subject to different interpretations, and the great charter of our American liberties was no exception to the rule. Parties were distinguished as strict constructionists and loose constructionists, the former the Federalists, the latter the Anti-Federalists, the first believing in a strongly centralized government, the second jealously observant of the rights of the States. The contest between the parties was the great question which afterwards shook the country from center to circumference, in the agony of civil war—it was the contest between “State Sovereignty” and a “Nation.”

Hamilton, Jay and Madison were conspicuous for their support of the Federal cause, while Jefferson, John Hancock, Patrick Henry, Sam Adams and George Clinton espoused the cause of the Anti-Federalists, or State Rights party. Thus originated the names, Hamiltonian and Jeffersonian, which even to this day distinguish the difference between a strong centralized government and the more democratic idea of a strong local government. That the one carried to an extreme leads to monarchy, there can be no more question than that the other, if carried to a like extreme, would lead to weakness, dissolution, and, perhaps, anarchy. How to avoid either extreme, should be the aim and object of every patriot and statesman.

Of course other issues complicated the old ones. The Anti Federalists warmly urged the alliance with France. In the revolution which had just ended, the French alone had first come to our aid, and on land and sea had waged war upon our common enemy. Hence there was a lively sense of gratitude to that great nation throughout the country, made none the less by the establishment of the republic. The Federalists, on the other hand, inclined toward England as the natural friend through the ties of kinship and common language.

Alexander Hamilton, the head of the Federalist party, was

the controlling spirit in Washington's cabinet. Under his influence as Secretary of the Treasury a bill was passed in 1791 which introduced the monarchical financial system of Europe by establishing a national bank, called the United States Bank, modeled after the Bank of England and chartered for twenty years.

Hamilton's was the English idea—hard money and a government bank, a union of church and state, and a funding scheme for absorbing the national debt. The Federal party, of course, supported Hamilton's views, while the Anti-Federals bitterly opposed them. Hamilton and Knox championed the United States Bank, while Jefferson and Randolph opposed it and declared it unconstitutional. Jefferson said of it: "This bank corporation will come to control the Government in its own selfish interest and menace, if it does not destroy, the liberties of the people."

In nearly every tendency toward monarchy can be found the hand of Hamilton. However brilliant may have been his genius, however great may have been, in many things, his services to the young republic, the thoughtful and reflective mind can only regard his influence in shaping the career of the nation as evil and calamitous. He was an aristocrat. His heart was not in sympathy with purely democratic institutions. He would undoubtedly have preferred the establishment of a monarchy instead of a republic.

Fortunately for the republic there lived at the same time a man in every sense his equal, and in point of patriotism, liberality and genuine republicanism transcendently his superior—Thomas Jefferson, the acknowledged leader of the anti-Hamiltonian or Anti-Federal party.

After the adoption of the Constitution, together with the ten amendments, the name anti-Federal was dropped, and the name "Democratic-Republican" adopted—though the word "Democratic" was usually omitted, and only the word "Republican" used. No doubt the fact that reproach and ridicule was attached to the word "Democrat" (very much as the aristocrats of today ridicule third party men) had a good deal to do with eliminating it from the party name. It was applied

to the Jeffersonians very much as the word "communist" and "anarchist" is frequently applied in these days to Populists—because it was an appellation assumed by the Jacobins of France. Therefore it may be said that the word "Democrat," used as the name of a party, had its origin in this country as a name of reproach.

In spite of differences of opinion, which were daily growing more bitter, there was practically no partisanship during Washington's administration. He called Federalists and Anti-Federalists into his cabinet, and his farewell address, which every school-boy has read, is full of grave warning against the evils and dangers of party spirit.

But with Washington in retirement, the contest began. The Federalists put **JOHN ADAMS** (1797-1801) in the field, and elected him in spite of the English treaty which John Jay had made and which Adams had supported. Thomas Jefferson became Vice-President, because at that time the Vice-Presidency went to the man receiving the next largest vote for President, a system which was in force until 1804.

There were many reasons why the Federalist triumph could not be a permanent one. England was intensely unpopular, and the administration was accused of favoring that kingdom unduly. The alien and sedition laws caused an access of the public displeasure, and the party split into two sections, one following Adams, the other Hamilton. Nominations for the election were made by members of Congress; Adams and Pinckney were chosen as the Federal standard-bearers, Jefferson and Aaron Burr as the Republican. Jefferson and Burr were elected, but as both had received the same number of votes, the election was thrown into the House, which chose **THOMAS JEFFERSON** (1801-1809) the third President of the United States. This was a death-blow to the Federal party. And so completely was it wiped out of existence by Jefferson's second election that its candidate, Charles C. Pinckney, received only 14 electoral votes to Jefferson's 162.

Under the guiding hand of Jefferson the republic was gradually drawn away from the pernicious influences of the Hamiltonian idea, and put upon a genuine republican track.

Fortunate, indeed, it proved to be for the nation that so great and good a patriot had the helm at that critical period of its history.

The history of Jefferson's administration was a quiet one. He refused to make the civil service the spoil of victory, and gave proof of the flexibility of his ideas of government by the purchase of Louisiana Territory from France in 1803, which was a measure tending strongly toward Federalism—giving a hostage, as it were, to the central government on the part of the States. Jefferson also agreed to the building of the great post road to the Ohio, which was by no means a Republican scheme. Among the important events of the administration were the Burr expedition, the first threats of "secession" (this, by the way, was a Federal idea, and first suggested on behalf of the Northern States), the "embargo" difficulties and the naturalization laws. At the end of Jefferson's second term he promptly declined to be considered a candidate for a "third term," thereby recognizing and putting into effect the example of the illustrious Washington.

JAMES MADISON (1809-1817) was elected fourth President. He, like Jefferson, was a Republican, although, as has been pointed out, that party is more nearly akin to the Democratic party of our own time. C. C. Pinckney, the Federalist candidate who opposed him, and who had run twice against Jefferson, received 47 electoral votes, while Madison was given 122. The Federalists lost every part of the country save New England, and one result of this election was to give that sectional tone to our politics which has to a greater or less extent endured to the present time.

In 1811 the charter of the national bank expired and there was an effort made in Congress to re-charter it. Its principal support was the remnant of the Hamilton "strong-government" party, the Federalists—an interesting fact taken in connection with the present attitude of parties concerning our present national banking system. The scheme to re-charter, however, failed to go through.

The country was drifting into a war with England at this time, and the public spirit was aroused by the continual out-

rages perpetrated upon our sailors on the high seas by British ships. The Republicans were recognized as the fighting party, and under the leadership of Calhoun, Clay and Crawford the **War of 1812** was begun. The Federalists protested, and in Massachusetts and Connecticut the Governors refused to allow the militia to go out of the State, save to repel invasion. That argument lasted but a short time, however, for the country was invaded and the city of Washington captured and burned. The treaty of peace was signed in the winter of 1814, but before the news reached this country Andrew Jackson had gained the magnificent victory of New Orleans, on January 8, 1815.

In 1816 the Republican party, having been somewhat remodeled and manipulated by the banking interests, passed a law establishing another United States Bank.

It was during Madison's administration also that the question of a protective tariff was first discussed to any extent. On both the banking and the tariff questions the two parties, the Federals and Republicans, had changed places—very much as the two old parties of to-day have changed places on many questions. For instance, in 1862, the Republican party was in favor of a greenback currency and the Democratic party opposed it. Afterwards Republicans proposed to destroy the greenback money, and, as a matter of opposition merely, the Democrats, or a portion of them, opposed it.

With the close of Madison's administration a new era in our politics began. The questions of Federalism and of the French or English friendship were dead, and new issues were coming up. These were the tariff, the management of finances and the development of industry. What became known as the **Era of Good Feeling** followed, which lasted from the election of **JAMES MONROE** (1817-1825) up to 1828. Upon Monroe's second election, in 1824, there was no opposition, and he would have had the unanimous vote of the electoral college had not one of the electors declared that that honor should be confined sacredly to Washington.

It was **the Slavery Question** which put an end to the era of good feeling, and which burned hotly, and more hotly,

until it wrapped the whole land in the flames of civil war. It began with the application of Missouri for admission into the Union in 1820. Prior to that time **Mason and Dixon's Line**, which is the boundary of Maryland and Pennsylvania, and the Ohio River, formed the division between slave States and free. Missouri lies beyond the Mississippi River, and out of the limits fixed, and the question was a threatening one until Henry Clay brought in his famous **Missouri Compromise**, which admitted Missouri as a slave State, and forbade slavery north of 36° 30' north latitude. To balance Missouri in the Senate, Maine was admitted at the same time as a free State.

A protective tariff had been devised by John C. Calhoun in 1816, and President Monroe strengthened and increased the protection accorded. In 1819 he purchased Florida from Spain; and in 1823, in consequence of the war made by Spain against her revolted colonies in the three Americas, he voiced that splendid declaration which will always be associated with his name—the **Monroe Doctrine**. This doctrine briefly is that the United States will not interfere in any European war, nor will it permit European interference or European control in America, North or South.

No better proof could be given of the condition of parties than the election which ended Monroe's tenure of office. The electoral college chose a Vice-President, John C. Calhoun, but its vote for the Presidency was so scattered between Jackson, Adams, Crawford and Clay that the choice was thrown into the House. Here, by an alliance of the friends of Clay and Adams, Jackson was defeated and **JOHN QUINCY ADAMS** (1825-1829) became the sixth President. Clay was rewarded with the portfolio of State, and out of the alliance the **Whig Party** was formed. Their principles were in part those of the old Federalists. They were for a high tariff with strong protection, and they early declared for a policy of internal improvements to be paid for by the nation at large. Jackson's followers took the place of the old Anti-Federalists; they were strict constructionists, opposed to the tariff, and in their principles and speeches was to be found the nucleus of the States'

rights doctrine. They called themselves "**Democrats.**" The four years of Adams' presidency were passed in marshaling and organizing the two opposing forces.

ANDREW JACKSON (1829-1837), the seventh President, carried everything before him. The electoral vote was 178 to 83; the popular, 647,231 for Jackson, 509,097 for Adams. As soon as he had taken up the reins of power, Jackson removed some five hundred officeholders from their places, on Marcy's famous theory that "**to the victors belong the spoils.**" Upon this principle the tenure of political office still practically, if not theoretically, depends.

The Tariff was exceedingly unpopular at the South, which was then, as now, an agricultural rather than a manufacturing region. Several States had protested, and in 1830 Senator Hayne laid down the doctrine of **Nullification**—that any State could declare null and void any act of Congress. Webster answered this declaration in the debate which has since been famous. The original discussion was not on the tariff regulations, but on the sale of public lands. The struggle was a hot one. Jackson took occasion to put himself on record at once with his celebrated toast, "Our Federal Union, *it must* be preserved." The words were first uttered at a dinner in honor of his birthday. Calhoun took the opposite view, and in 1831 the President's cabinet was broken up by the issue. A new tariff bill was passed, but the South was still dissatisfied, and in 1832 South Carolina passed the Nullification ordinance. Jackson at once sent a naval force into Charleston harbor, and Congress passed a bill enforcing the tariff; but Henry Clay again came forward with a compromise which was accepted on both sides.

The United States Bank was the next bone of contention. The second United States Bank had been chartered in 1816 for a term of twenty years. Instead of re-chartering the bank in 1829, 1830, 1831 and 1832 General Jackson insisted on the Government issuing its own money, making its own exchanges and keeping its own deposits. But Congress surrendered to the money power, and in 1832 re-chartered the bank. Jackson vetoed the bill, declaring that under the Con-

stitution Congress had no power to authorize a bank corporation to issue money, but that the currency of the country should consist of gold and silver coins and Treasury notes. The friends of the bank tried to pass the bill over the veto, but failed. The bank, however, having still four years to run, Jackson ordered his Secretary of the Treasury, Duane, to remove the national deposits from the bank. Duane refusing, Jackson dismissed him and appointed Taney Secretary of the Treasury. The deposits ceased. The Senate at once passed a vote of censure on the President, but the House sustained Jackson at every point and refused a new charter. The fight with the Senate, in which there was an adverse majority, continued until the end of Jackson's term.

Out of Jackson's opposition to the bank grew the **new Whig Party**. It was at first composed principally of National Republicans, the Nullifiers, the Anti-Masons, and those Democrats who were displeased with Jackson's severe measures concerning the removal of Treasury deposits from the United States Bank. It was made up, perhaps, a good deal as the People's party was made up in 1892—that is, of factions and shades of nearly everything opposed to “both the old parties.”

In opposition to Jackson's second term there were arrayed no less than three candidates—Henry Clay, National Republican; John Floyd, Nullification, and William Wirt, Anti-Masonic. Jackson received 219 electoral votes; Clay, 49; Floyd, 11, and Wirt, 7.

During Jackson's administration was the first weak beginning of the **Abolition** party. The Anti-Slavery Society was formed in 1833. It was the target for abuse and violence, culminating in the assassination of Lovejoy. Congress solemnly declared that it would listen to no petitions upon the question of slavery, and Jackson asked that the sending of abolition documents through the mails should be prohibited. This the Senate refused.

The Democratic candidate, **MARTIN VAN BUREN** (1837-1841), the eighth President, was elected over W. H. Harri-

son and several other opposition nominees, including Daniel Webster.

The Great Panic of 1837 occurred during Van Buren's administration. Money became scarce everywhere and failures were most frightfully numerous. Daniel Webster ascribed the panic to the interference of the Government with the currency, and to the celebrated "Specie Circular," which demanded that public lands be paid for in specie only. On **May 10, 1837**, all the New York banks suspended, but Prof. W. G. Sumner, of Yale, states, in his "History of American Currency," that "nearly all the banks made money out of the suspension and paid big dividends during the year."

In 1840 Van Buren was renominated, but the Whigs, by an attack on the Democratic financial policy, carried the country and elected **W. H. HARRISON** (1841) the ninth President. It was in this campaign that the Abolitionists produced their first national platform, which favored the abolition of slavery in the District of Columbia and the Territories. In the same year the Democracy at Baltimore resolved that Congress had no power to interfere with or control the domestic institutions of the several States, which were the sole and proper judges of everything pertaining to their own affairs not prohibited by the Constitution, and that the efforts "by Abolitionists or others" to interfere with questions of slavery were calculated "to lead to the most alarming and dangerous consequences," "to diminish the happiness of the people and endanger the stability and permanence of the Union, and ought not to be countenanced by any friend of our political institutions." The convention also adopted a resolution to the effect that every attempt to abridge the rights or privileges of foreign-born citizens should be resisted. This was aimed at the Know-nothing tendency then just appearing, which had, however, no affiliation with the Abolition movement, already vigorous.

Harrison did not live out the year, and he was succeeded by the Vice-President, **JOHN TYLER** (1841-1845), the tenth President. Tyler rapidly got into trouble with his cabinet, which, save Webster, deserted him on issues connected with

his attempt to carry out Harrison's financial policy. The slavery question was pressing forward more and more urgently for solution all the time. An Ohio Congressman, Giddings, brought the issue into the House of Representatives, and was censured by that body for so doing. He resigned and was at once unanimously re-elected. A new tariff bill was brought in, and the proposition then made for a division of the surplus among the States.

Finance, protection, internal improvements, and indeed every minor issue, had to give way to the great puzzle of slavery. It was coming on for adjustment, and no hand could stay it. In the campaign of 1844 it produced the dispute over the re-annexation of Texas. The Democratic platform declared the **Great American Measures**—the taking in of Texas and Oregon. As Texas would be a slave territory, the idea was antagonized in the North, but after a close and perplexed election **JAMES K. POLK** (1845-1849), the eleventh President, was elected. Henry Clay, the Whig candidate, was beaten by the vote of 62,300 which was given to Jas. G. Birney by the Liberty party. The Democratic and Whig parties were silent in their platforms concerning the vexed question of slavery, because both were afraid to raise the question for discussion before the people. They treated that question much as the Democratic and Republican parties of to-day treat the finance, land and transportation questions. They ignored the only living question of the day. Although the gallant little band of agitators, known as **the Liberty Party**, received but an insignificant vote, they were sowing seed and spreading light for the future. The two old parties ridiculed them, but they struggled on under the motto, "Duty is ours, results are God's."

The new administration at once took up the Texas matter, and the **War with Mexico** was the necessary consequence. It is here necessary merely to point out the results. By the treaty of Guadalupe-Hidalgo, the United States acquired all that country which we now call the great West, including the treasures of California and the Sierras. The northwestern frontier was fixed at the 49th degree of north latitude, and the

administration closed with the largest accession of land that had yet been made to the republic.

The **Wilmot Proviso** attempted to block slavery in the new territories, and Oregon was organized as free soil. A low tariff bill was passed, and the Whigs got through a river and harbor bill which the President promptly vetoed. This brought the country up to the campaign of 1848. A faction of the Democratic party, called the "Barnburners" or "Liberals," bolted the national convention at Baltimore, and subsequently at Utica, New York, and nominated Martin Van Buren receiving the title of "**Free Soil**" Party, owing to the abolition tone of its platform. The Liberty party withdrew its candidates, John P. Hale and Leicester King, and supported the Free Soil ticket. The Whigs nominated Zach Taylor, and the Democrats Lewis Cass. As in the previous campaign, both of the old parties ignored the slavery question, notwithstanding the atmosphere was filled with ominous murmurs of discontent and revolution. They lauded the men who had taken part in the Mexican war; they reiterated the declarations of Jefferson, and Jackson, and Washington; they hinted at the tariff; they expressed sympathy with the struggling masses in monarchical Europe—but not one word concerning the institution of slavery.

The election resulted in 163 electoral votes for **ZACHARY TAYLOR** (twelfth President—1849-50), 127 for Cass, and none for Van Buren! The popular vote stood 1,360,101 for Taylor; 1,220,544 for Cass, and 291,263 for Van Buren.

Though not an abolitionist, the fact that President Taylor called into private council Mr. Seward was an evidence that he had no sympathy for the further extension of slavery. If not the avowed enemy of slavery, he certainly was not its friend. Although in the platform and during the campaign the question of slavery had been treated by both Whigs and Democrats with a high-toned and disdainful indifference, it was a ghost that would not down. Like the money question of to-day, it needed constant "tinkering" to keep it in repair. No sooner was a small leak stopped in one place than a big one started in another. In short, the irresistible public senti-

ment of the North, that was being awakened by the songs of the Hutchinsons, the newspaper articles of Garrison, the fiery eloquence of Phillips, the ringing poetical effusions of Whittier, was the upper millstone that was constantly grinding upon the nether millstone, the monstrous wrong known as slavery; and between the two, men, parties and political fortunes were ground to dust. It was "in the air," and sooner or later it was bound to gain a momentum that would become a whirlwind.

Henry Clay, an able and eloquent man, but, like all ambitious politicians, a political coward, undertook to patch up a compromise. He introduced a series of eight resolutions, which provoked a debate of not less than four months. As the debate extended the resolutions increased in number, so that there were no less than thirty-nine of them. It became known as the Omnibus Bill, and in spite of the best efforts of the champions of compromise, it failed to pass. However, what was called the "**Compromise of 1850**" was patched up and passed. It provided for the organization of New Mexico and Utah without reference to slavery, admitted California as a free State, for the rendition of fugitive slaves, and the abolition of slavery in the District of Columbia! It proved but a sorry piece of patchwork, for it only made more intense the internal fires that were so soon to burst forth in all their volcanic fury.

Upon the death of President Taylor, the Vice-President, **MILLARD FILLMORE** (1850-53), had become the thirteenth President. He completely changed the policy of his predecessor, and undertook to build up a new party on a "compromise measure." It acquired considerable support in New York under the name of "Silver Gray," but in fact "died bornin'"—simply from the fact that it is as impossible to build a party upon "compromise or negative principles" as it is to build a house upon sand.

In 1852 the American or "**Know-Nothing**" party sprang up. It was based upon opposition to foreign-born citizens of the United States. Whether or not it was the result of an effort by the friends of slavery to get up a sort of side-

show to divert the attention of the public from the main question is not known, but it seems so much like the present effort of the money-mongers and monopolists to excite discussion upon the tariff question in order to attract the attention of the people from vital issues that it is altogether probable.

The campaign of 1852 is similar in many vital points to those of 1880, 1884, 1888 and 1892. The Democrats nominated Franklin Pierce and declared boldly for non-interference with slavery in the various States, and especially avowed a determination to enforce the law of 1850 "reclaiming fugitive slaves." The Whigs nominated Winfield Scott, "affirmed and acquiesced" in the "compromise laws of 1850," and especially the "fugitive slave law," and (in almost the identical language of the Democratic platform) discountenanced and deprecated any "further agitation" of the slavery question. The Free Soil party nominated John P. Hale and declared, in words that rang as though coming from the rocky summit of Mt. Sinai, that "slavery is a sin against God, a crime against man which no human enactment or usage could make right, and that Christianity, humanity and patriotism alike demand its abolition."

The result of the contest was that **FRANKLIN PIERCE** (1853-1857), the fourteenth President, was elected. He had 254 electoral votes, Scott 42, and Hale NOT ONE! The popular vote was: Pierce, 1,601,474; Scott, 1,386,578, and Hale only 156,149.

At the close of that campaign we wonder if there were not men who sneered at the vote cast for Hale? We wonder if there were not men who declared that the party had "died out"?

How similar to recent campaigns was the struggle of 1852! Both of the old parties got down upon their bellies and crawled in the dust at the feet of the arrogant Slave Power, just as of late years both old parties have groveled at the feet of the Money Power and Monopoly.

The lesson is obvious. The Whig party was killed by the campaign of 1852. And history repeats itself.

Soon after the election there was actual fighting on the

dividing line between North and South. Growing bold with apparent success, the Slave Power began an aggressive warfare upon the free soil territory. Douglas reported a bill to abrogate the "Missouri Compromise" of 1850, and permit the people of new States to adopt the institution or not, as they saw fit. This opened the slavery question again. Debate ran high. The compromise of 1850 was repealed. It seemed to be the brand which kindled the flame of the anti-slavery fires. In the spring of 1854 *a new party*, composed of all opposed to the extension of slavery, was organized in many States. It was called **the Republican Party**. During the next year, 1855, it grew rapidly in numbers. It was composed of Free Soilers, Whigs, anti-slavery Democrats, anti-Nebraska Democrats, anti-slavery Americans, and, in short, anti-almost-everything.

Passions were at fever heat. In Kansas the "Jayhawkers" and the "Border Ruffians" were already at each other's throats. It was plain that the matter in dispute could only be settled by an appeal to the arbitrament of arms.

In 1856 the Republicans nominated their first candidate, Gen. John C. Fremont, "the Pathfinder." Their platform recites that the convention was called without regard to previous political differences, to enable all opposed to the repeal of the Missouri Compromise to come together. The platform opposed the extension of slavery into the Territories; declared that Congress should prohibit in the Territories "the twin relics of barbarism, polygamy and slavery;" and opposed all prescriptive legislation, thus antagonizing the Democracy on the slavery issue and the Know-nothings on nativism. The Whigs met at Baltimore. Their platform is devoted exclusively to a denunciation of "geographical parties," and a recommendation of Millard Fillmore, the American or "Know-nothing" candidate for President. The Democrats added little to former platforms, save that they declared against the "Know-nothings" on their war on foreigners, and agreed with them in their declaration against intervention with slavery. They nominated and elected **JAMES BUCHANAN** (1857-1861), fifteenth President. Fremont, however, polled a

popular vote of 1,341,264 against Buchanan's 1,838,169, while Fillmore received 874,534.

The **Dred Scott Case** now came on to exacerbate still more bitterly public feeling. Chief Justice Taney declared that a negro was a chattel, that the compromise of 1850 was unconstitutional, and that a slave-owner might settle with his property where he pleased, in any territory. Following this came John Brown's raid into Virginia—his attempt to incite a slave insurrection, and his death upon the gallows. There was nothing for it but war, and into war the country rapidly drifted.

The campaign of 1860 was the most confused in the whole history of American politics. There was talk of secession in the air. There was notoriously war preparation in the South. The North was divided. Every man felt that parties would have to be re-arranged and new political frontiers defined. The "Constitutional Union" party met at Baltimore. All it demanded was the "Constitution of the country, the union of the States, and the enforcement of the laws." The Republicans met at Chicago. Their platform denounced the threats of disunion made by Democrats in Congress as an "avowal of contemplated treason," which it was the duty of the people to "rebuke and forever silence." It asserted that the normal condition of all the Territories of the United States is that of freedom; that the reopening of the slave trade was a crime against humanity; that duties should be adjusted so as to encourage the development of the industrial interests of the whole country; that Congress should pass a complete and satisfactory homestead law; that the rights of citizenship enjoyed by foreigners should not be abridged or impaired; that the rights of all citizens, native or naturalized, should be protected abroad and at home. The Douglas Democratic platform, adopted at Charleston, favored the acquisition of Cuba; declared that State legislatures which interfered with the enforcement of the fugitive slave law were revolutionary and subversive of the Constitution; and reaffirmed the Cincinnati platform of 1856 on tariff. The Breckinridge platform, adopted at Charleston and Baltimore, reaffirmed the Democratic plat-

form adopted at Cincinnati, with certain "explanatory resolutions," which in substance were that slave-owners had a right "to settle with their property" in the Territories without being interfered with by Territorial or Congressional legislation.

On these issues four candidates were put in the field. The Republicans nominated Abraham Lincoln; the Democrats, J. C. Breckinridge; the Constitutional Union party, John Bell; the Independent Democrats, Stephen A. Douglas. **ABRAHAM LINCOLN** (1861-1865) was chosen sixteenth President, by a popular vote of 1,866,352; Douglas received 1,375,157; Breckinridge, 845,763; Bell, 589,581.

On December 20, 1860, South Carolina declared that the Union was dissolved, and a **Secession** resolution was passed. Following, six other slave States immediately seceded. Every effort was made to stem the tide of disunion, but nothing could be done save with arms in the field. A peace congress met and proved futile. The Crittenden compromise was scoffed out of court. The Confederacy was formed at Montgomery, Alabama, in February, 1861, with Jefferson Davis as President, and slavery and low tariff as its corner-stone. The first ball was fired April 14, 1861, and the great issue of the century joined.

For the time politics was relegated to the background. There were only Unionists and Secessionists. The financing of the great struggle led to a high tariff, the issue of Treasury notes, and finally the establishment of the national banking system. The internal revenue system was developed, an income tax was imposed, greenbacks were issued, and the resources of the country marshaled to meet the expenses of a war that cost a million dollars a day.

On January 1, 1863, President Lincoln issued the **Emancipation Proclamation**, which freed the Southern slaves, and marks an epoch in the history of the world. Two years later, under the apple tree at Appomattox, Lee surrendered to Grant, and the war ended with the complete triumph of the Northern arms. There had in the meantime been another Presidential election, in which Lincoln defeated George B. McClellan. Shortly after Lee's surrender Lincoln was assas-

minated by J. Wilkes Booth, an actor, and **ANDREW JOHNSON** (1865-1869), the seventeenth President, took up the chief magistracy.

The problem of the day was the **Reconstruction** of the old slave States, upon which the new President and his party at once quarreled. The point at issue was the proper safeguarding of the newly-freed negro. Congress passed the Civil Rights bill, the Freedman's Bureau bill, and submitted the XIVth Amendment to the Constitution. The President was finally impeached by Congress, but his trial before the Senate resulted in an acquittal by one vote.

ULYSSES S. GRANT (1869-1877), the eighteenth President, was elected over Horatio Seymour, on a platform adopted by the Republicans, at Chicago, which denounced repudiation; favored suffrage on equal terms to all men; encouraged immigration and declared itself in sympathy with all oppressed people who are struggling for their rights. The Democratic platform of 1868 acknowledged that the questions of slavery and secession had been forever settled by the war or by constitutional conventions, and favored amnesty for all political offenses. It made a very distinct pronouncement on tariff in the following words: "A tariff for revenue upon foreign imports, and such equal taxation under the internal revenue laws as will afford incidental protection to domestic manufactures, and as will, without impairing the revenue, impose the least burden upon, and best promote and encourage, the great industrial interests of the country." The XVth Amendment, guaranteeing negro suffrage, was passed by Congress in 1869. After the campaign of 1868 agitation of the labor and finance questions commenced. An attempt was made to run a ticket in 1872, but failed,

A Liberal Republican ticket, with Horace Greeley at its head, was supported by the united opposition against Grant in 1872, but was defeated easily, and Greeley, one of the greatest figures in later American politics, died shortly afterwards. The South was pacified, and the **Treaty of Washington** made, which involved the payment of the Alabama claims by the English government. It was during the first

year of Gen. Grant's second term as President (1873), that a bill was passed which, while scarcely attracting attention at the time, has proven of momentous consequence to the nation. It bore the innocent title, "An act revising and amending the laws relative to the mints, assay offices and coinage of the United States." This act **demonetized the silver dollar** by merely omitting that coin from the enumeration of the coins of the United States. The President who signed the bill and many of the Congressmen who voted for it did so because they were ignorant of its real character—among them Hon. W. D. Kelley, chairman of the Coinage Committee. Garfield, Blaine, Voorhees and Conkling afterwards asserted that they did not know that the bill demonetized silver. No party lines were drawn in the vote on the bill. John Sherman introduced and engineered it. His name will stand as the synonym for infamy when the American people understand the nature of his act. The **great Panic of 1873** was caused by the gradual contraction of the currency which culminated in the Sherman crime and the curtailment of bank credits.

In 1876 occurred the great **Hayes-Tilden Controversy**, which tested the flexibility of our electoral machinery so severely. Tilden was the Democratic nominee, and he had an undoubted popular majority—4,284,885, against 4,033,950 for Hayes. Rival electors claimed to have been elected in Louisiana and Florida. Intimidation, fraud and illegal voting were charged, and Congress finally appointed the **Electoral Commission** to settle the dispute, as there was nothing in the Constitution to cover the circumstances. On a party vote the commission awarded the disputed electoral votes to the Republican candidate, thus making **RUTHERFORD B. HAYES** (1877-1881) nineteenth President of the United States. Curiously enough, Democratic Governors were declared elected in the States whose vote was in question.

The **Greenback Party**, which first formally organized in Farwell Hall, Chicago, Dec. 1, 1875, nominated Peter Cooper for the Presidency in 1876. He polled 81,740 votes.

The **railroad riots** of 1877 were the most notable feature of the history of Hayes' period of administration. The

silver coinage act (Bland bill) was passed over [Hayes' veto in 1878. It made the silver dollar full legal tender and provided for the coinage of not less than two millions nor more than four millions per month. Specie payment was resumed in 1879, the act for that purpose having been passed by Congress in 1875.

In the presidential campaign of 1880 the tariff was made the leading issue between the Republican and Democratic parties. The Republican candidate, **JAMES A. GARFIELD** (1881), was elected twentieth President over Winfield Scott Hancock, Democrat, and James B. Weaver, of Iowa, Greenbacker. Garfield was assassinated by a madman, Charles J. Guiteau, and **CHESTER A. ARTHUR** (1881-1885) became the twenty-first President. The Pendleton civil service reform bill passed during his administration. The general strike of telegraph operators in 1883 was the most notable event of this period.

In 1884 **GROVER CLEVELAND** (1885-1889), the first Democrat chosen since the war, was elected twenty-second President. The Republican candidate was James G. Blaine, while the Greenback standard was borne by Gen. Benjamin F. Butler, and J. P. St. John was the candidate of the Prohibition party. The year 1886 was notable for labor agitations, and the Anarchist trial at Chicago attracted the attention of the whole civilized world. The Democratic platform of 1888 was the result of Cleveland's famous tariff reform message and made the tariff practically the only issue between the two great parties. Cleveland was renominated to represent the Democratic idea of tariff revision, and Benjamin W. Harrison represented the Republican party and protection. Fisk was the candidate of the Prohibitionists and A. W. Streeter was nominated by the **Union Labor Party**, which practically took the place of the Greenback party. The result was the election of **BENJAMIN W. HARRISON** (1889-1893), twenty-third President, he receiving a majority of the electoral vote, although Cleveland's popular vote was slightly larger. The election also changed the complexion of Congress, enab-

ling the Republicans to pass what is known as the McKinley tariff bill.

In 1892 the Republicans and Democrats, still divided only on the question of tariff, put up the same candidates who had contended for the Presidency in 1888, Harrison and Cleveland, both contesting for a second term. Bidwell was the Prohibitionist candidate and Wing represented the Socialist Labor party. The great political event of 1892 was the appearance of the **People's Party**, composed of all the various reform elements except extreme radicals. Its first convention was held at Omaha and nominated Gen. James B. Weaver, of Iowa, for President. Its platform ignored the tariff question entirely, but came out strong for reform on three vital issues—money, land and transportation. The People's party polled over a million votes, 8.67 per cent of the entire vote cast. While Cleveland's election was not unexpected, the fact that many States hitherto considered unalterably Republican returned Democratic electors surprised the politicians. The Democrats came into power in 1893 in full control of both houses of Congress and immediately began to tinker with the tariff, finally evolving a new schedule out of what was originally known as the Wilson bill. The delay of both houses and particularly the action of the Senate on the bill gave rise to much scandal, and charges of corruption were openly made in the newspapers of all political parties. The measure as finally passed was unsatisfactory even to President Cleveland, who neither approved nor vetoed the bill, but allowed it to become a law without his signature.

The **money panic of 1893** and the continued and increasing business depression which followed did not turn Congress from its tariff folly, and no measures for real economic or financial reform were entertained. The novel feature of the history of 1894 was what is known as the Coxey Commonwealth movement—the organized march of armies of unemployed toward the capital to demand legislation for relief.

The great coal strike of 1894 began in April and was prolonged till June, ending of course in the failure of the strikers. The famous Pullman boycott, inaugurated immediately after

the termination of the coal troubles, culminated in the great railroad strike led by Eugene V. Debs, president of the American Railway Union. The storm-center was Chicago. It added only another proof that the ballot is the only effective weapon for the redress of labor's grievances, and that strikes and boycotts only weaken the cause of labor. President Cleveland's action in sending Federal troops into Chicago in spite of the protest of Governor Altgeld, and in violation of the Constitution, is final proof that, so far as essential principles are concerned, the Democratic party has drifted away from its traditions, and that the Tory principles of early days prevail in both the old parties. The conviction of Debs and his associates for contempt of court and the denial to them of the right of trial by jury were the culmination of Federal usurpation of power.

In the fall election of 1894 the Republicans were successful, wiping out the Democratic majority in Congress. The People's party showed a remarkable increase in strength. While the total vote of all parties was nearly a million less than that of 1892, the Populists showed a gain of 45 per cent.

The recent action of Congress—or rather inaction—on the money question, and Cleveland's unauthorized issue of interest-bearing gold bonds, will be taken up fully in other departments of this book.



“THIS land o' ourn, I tell ye, 's got to be
A better country than man ever see;
I feel my sperit swellin' with a cry
That seems to say, 'Break forth and prophesy!
O strange New World, that yet wast never young,
Whose youth from thee by gripin' want was wrung,
Brown foundlin' o' the woods, whose baby bed
Was prowled 'round by the Injun's cracklin' tread,
An' who grew'st strong thro' shifts an' wants an' pains,
Nursed by stern men with empires in their brains.”

—*James Russell Lowell.*

“A WIDOW goes out into the fields to gather nettles for her children's dinner. My lord in the Bull's-eye tavern takes every third nettle and calls it rent.”—*Carlyle.*

☛ "Give me liberty or give me death.

—PATRICK HENRY.

THE STEPS IN THE GROWTH OF AMERICAN LIBERTY.

Magna Charta.

NEARLY seven hundred years ago was organized a movement which resulted in the great charter of English liberty—a movement which foreshadowed the battle of our American forefathers for political independence. On the 25th of August, 1213, the prelates and Barons, tiring of the tyranny and vacillation of King John, formed a council and passed measures to secure their rights. After two years of contest, with many vicissitudes, the Barons entered London and the King fled into Hampshire. By agreement both parties met at Runnymede on the 9th of June, 1215, and after several days' debate, on June 15, Magna Charta (the Great Charter), the glory of England, was signed and sealed by the sovereign. The Magna Charta is a comprehensive bill of rights, and, though crude in form, and with many clauses of merely local value, its spirit still lives and will live. Clear and prominent we find the motto, "No tax without representation." The original document is in Latin and contains sixty-one articles, of which the 39th and 40th, embodying the very marrow of our own State constitutions, are here given as translated in the English statutes:

"39. No freeman shall be taken or imprisoned or be disseised of his freehold, or liberties or free customs, or be otherwise destroped [damaged], nor will we press upon him nor seizè upon him [condemn him] but by lawful judgment of his peers or by the law of the land.

"40. We will sell to no man, we will not deny or defer to any man, either right or justice."

The Great Charter recognizes a popular tribunal as a check on the official judges and may be looked upon as the foundation of the writ of Habeas Corpus. It provides that no one is to be condemned on rumor or suspicion, but only on the evidence of witnesses. It affords protection against excessive emercements, illegal distresses and various processes for debts

and services due to the crown. Fines are in all cases to be proportionate to the magnitude of the offense, and even the villein or rustic is not to be deprived of his necessary chattels. There are provisions regarding the forfeiture of land for felony. The testamentary power of the subject is recognized over part of his personal estate, and the rest to be divided between his widow and children. The independence of the church is also provided for. These are the most important features of the Great Charter, which, exacted by men with arms in their hands from a resisting king, occupies so conspicuous a place in history, which establishes the supremacy of the law of England over the will of the monarch, and which still forms the basis of English liberties.

The Mecklenburg Declaration.

MORE than a year before the signing of the Declaration of Independence a document was drawn up that was almost a model in phraseology and sentiment of the great charter of American freedom. There are various accounts of this matter, but the most trustworthy is this:

At a public meeting of the residents of Mecklenburg County, North Carolina, held at Charlotte on the 20th of May, 1775, it was

Resolved, That whenever directly or indirectly abetted, or in any way, form or manner countenanced, the unchartered and dangerous invasion of our rights, as claimed by Great Britain, is an enemy to our country—to America—and to the inherent and inalienable rights of man.

Resolved, That we, the citizens of Mecklenburg County, do hereby dissolve the political bonds which have connected us to the mother country, and hereby absolve ourselves from all allegiance to the British crown, and abjure all political connection, contract or association with that nation, which has wantonly trampled on our rights and liberties, and inhumanly shed the blood of American patriots at Lexington.

Resolved, That we do hereby declare ourselves a free and independent people: are and of right ought to be a sovereign and self-governing association, under the control of no power other than that of our God and the general government of the Congress. To the maintenance of which independence we

solemnly pledge to each other our mutual co-operation, our lives, our fortunes, and our sacred honor."

There are two other resolutions, concerning the militia and the administration of the law, but these, having no present value, are here omitted.

The Declaration of Independence.

In Congress, July 4, 1776.

WHEN, in the course of human events, it becomes necessary for one people to dissolve the political bonds which have connected them with another, and to assume, among the powers of the earth, the separate and equal station to which the laws of Nature and Nature's God entitle them, a decent respect to the opinions of mankind requires that they should declare the causes which impel them to the separation.

We hold these truths to be self-evident: 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 to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute a new government, laying its foundation on such principles, and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness. Prudence, indeed, will dictate that governments long established should not be changed for light and transient causes; and accordingly all experience has shown that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty, to throw off such government, and to provide new guards for their future security. Such has been the patient sufferance of these colonies, and such is now the necessity which constrains them to alter their former systems of government. The history of the present King of Great Britain is a history of repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these States. To prove this, let facts be submitted to a candid world.

He has refused his assent to laws the most wholesome and necessary for the public good.

He has forbidden his governors to pass laws of immediate and pressing importance, unless suspended in their operation till his assent should be obtained; and when so suspended, he has utterly neglected to attend to them.

He has refused to pass other laws for the accommodation of large districts of people, unless those people would relinquish the right of representation in the legislature—a right inestimable to them, formidable to tyrants only.

He has called together legislative bodies at places unusual, uncomfortable, and distant from the depository of their public records, for the sole purpose of fatiguing them into compliance with his measures.

He has dissolved representative houses repeatedly, for opposing with manly firmness his invasions on the rights of the people.

He has refused, for a long time after such dissolutions, to cause others to be elected; whereby the legislative powers, incapable of annihilation, have returned to the people at large, for their exercise, the state remaining, in the meantime, exposed to all the dangers of invasion from without, and convulsions within.

He has endeavored to prevent the population of these States; for that purpose obstructing the laws for naturalization of foreigners, refusing to pass others to encourage their migration hither, and raising conditions of new appropriation of lands.

He has obstructed the administration of justice, by refusing his assent to laws establishing judiciary powers.

He has made judges dependent on his will alone for the tenure of their offices and the amount and payment of their salaries.

He has erected a multitude of new offices, and sent hither swarms of officers, to harass our people, and to eat out their substance.

He has kept among us, in times of peace, standing armies, without the consent of our legislatures.

He has affected to render the military independent of, and superior to, the civil power.

He has combined with others to subject us to a jurisdiction foreign to our constitution, and unacknowledged by our laws; giving his assent to their acts of pretended legislation:

For quartering large bodies of armed troops among us.

For protecting them, by mock trial, from punishment for any murders which they should commit on the inhabitants of these States.

For cutting off our trade with all parts of the world.

For imposing taxes on us without our consent.

For depriving us, in many cases, of the benefits of trial by jury.

For transporting us beyond the seas to be tried for pretended offenses.

For abolishing the free system of English laws in a neighboring province, establishing therein an arbitrary government, and enlarging its boundaries, so as to render it at once an example and fit instrument for introducing the same absolute rule into these colonies.

For taking away our charters, abolishing our most valuable laws, and altering, fundamentally, the forms of our governments.

For suspending our own legislatures and declaring themselves invested with power to legislate for us in all cases whatsoever.

He has abdicated government here, by declaring us out of his protection, and waging war against us.

He has plundered our seas, ravaged our coasts, burnt our towns, and destroyed the lives of our people.

He is, at this time, transporting large armies of foreign mercenaries, to complete the works of death, desolation and tyranny, already begun with circumstances of cruelty and perfidy scarcely paralleled in the most barbarous ages, and totally unworthy the head of a civilized nation.

He has constrained our fellow-citizens, taken captive on the high seas, to bear arms against their country, to become the executioners of their friends and brethren, or to fall themselves by their hands.

He has excited domestic insurrection among us, and has endeavored to bring on the inhabitants of our frontiers the merciless Indian savages, whose known rule of warfare is an undistinguished destruction of all ages, sexes and conditions.

In every stage of these oppressions we have petitioned for redress in the most humble terms; our repeated petitions have been answered only by repeated injury. A prince whose character is thus marked by every act which may define a tyrant is unfit to be the ruler of a free people.

Nor have we been wanting in attention to our British brethren. We have warned them, from time to time, of attempts by their legislature to extend an unwarrantable jurisdiction over us. We have reminded them of the circumstances of our emigration and settlement here. We have appealed to their native justice and magnanimity; and we have conjured them, by the ties of our common kindred, to disavow these usurpations, which would inevitably interrupt our connection and correspondence. They, too, have been deaf to the voice of justice and of consanguinity. We must, therefore, ac-

quiesce in the necessity which denounces our separation, and hold them, as we hold the rest of mankind, enemies in war, in peace friends.

We, therefore, the representatives of the United States of America, in general Congress assembled, appealing to the supreme Judge of the world for the rectitude of our intentions, do, in the name and by the authority of the good people of these colonies, solemnly publish and declare that these United Colonies are, and of right ought to be, free and independent States; that they are absolved from all allegiance to the British crown, and that all political connection between them and the state of Great Britain is, and ought to be, totally dissolved; and that, as free and independent States, they have full power to levy war, conclude peace, contract alliances, establish commerce and to do all other acts and things which independent States may of right do. And for the support of this declaration, with a firm reliance on the Protection of Divine Providence, we mutually pledge to each other our lives, our fortunes and our sacred honor.

The foregoing declaration was, by order of the Congress, engrossed, and signed by the following members:

JOHN HANCOCK.

New Hampshire—Josiah Bartlett, William Whipple, Matthew Thornton.

Massachusetts Bay—Samuel Adams, John Adams, Robert Treat Paine, Elbridge Gerry.

Rhode Island—Stephen Hopkins, William Ellery.

Connecticut—Roger Sherman, Samuel Huntington, William Williams, Oliver Wolcott.

New York—William Floyd, Philip Livingston, Francis Lewis, Lewis Morris.

New Jersey—Richard Stockton, John Witherspoon, Francis Hopkinson, John Hart, Abraham Clark.

Pennsylvania—Robert Morris, Benjamin Rush, Benjamin Franklin, John Morton, George Clymer, James Smith, George Taylor, James Wilson, George Ross.

Delaware—Cæsar Rodney, George Read, Thomas McKean.

Maryland—Samuel Chase, William Paco, Thomas Stone, Charles Carroll of Carrollton.

Virginia—George Wythe, Richard Henry Lee, Thomas Jefferson, Benjamin Harrison, Thomas Nelson, Jr., Francis Lightfoot Lee, Carter Braxton.

North Carolina—William Hooper, Joseph Hewes, John Penn.

South Carolina—Edward Rutledge, Thomas Heyward, Jr. Thomas Lynch, Jr., Arthur Middleton.

Georgia—Button Gwinnett, Lyman Hall, George Walton.

The following clause formed part of the original Declaration of Independence as signed, but was finally left out of the printed copies "out of respect to South Carolina":

"He [King George III.] has waged cruel war against human nature itself, violating its most sacred rights of life and liberty in the persons of a distant people who never offended him, captivating and carrying them into slavery in another hemisphere or to incur miserable death in their transportation thither. This piratical warfare, the opprobrium of infidel powers, is the warfare of the Christian King of Great Britain. Determined to keep a market where men should be bought and sold, he has at length prostituted his negative for suppressing any legislative attempt to prohibit and restrain this execrable commerce."



Jefferson's Political Policy.

1. Legal equality of all human beings. 2. The people the only source of power. 3. No hereditary offices, nor order of "nobility," nor title. 4. No unnecessary taxation. 5. No national banks or bonds. 6. No costly splendor of administration. 7. Freedom of thought and discussion. 8. Civil authority superior to the military. 9. No favored classes; no special privileges; no monopolies. 10. Free and fair elections; universal suffrage. 11. No public money spent without warrant of law. 12. No mysteries in government hidden from the public eye. 13. Representatives bound by the instructions of their constituents. 14. The Constitution of the United States a special grant of powers limited and definite. 15. Freedom, sovereignty and independence of the respective States. 16. Absolute severance of Church and State. 17. The Union a compact—not a consolidation nor a centralization. 18. Moderate salaries, economy and strict accountability. 19. Gold and silver currency—supplemented by treasury notes bearing no interest and bot-tomed on taxes. 20. No State banks of issue. 21. No expensive navy or diplomatic establishment. 22. A progressive or graduated tax laid upon wealth. 23. No internal revenue system. A complete separation of public moneys from bank funds.

THE CONSTITUTION OF THE UNITED STATES.

PREAMBLE.

WE, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

ARTICLE I.

SECTION I. 1. All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.

SECTION II. 1. The House of Representatives shall be composed of members chosen every second year by the people of the several States; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature.

2. No person shall be a representative who shall not have attained to the age of twenty-five years, and been seven years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State in which he shall be chosen.

3. Representative and direct taxes shall be apportioned among the several States which may be included within this Union, according to their respective numbers, which shall be determined by adding to the whole number of free persons, including those bound to service for a term of years, and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct. The number of representatives shall not exceed one for every thirty thousand, but each State shall have at least one representative; and until such enumeration shall be made, the State of New Hampshire shall be entitled to choose three; Massachusetts, eight; Rhode Island and Providence Plantations, one; Connecticut, five; New York, six; New Jersey, four; Pennsylvania, eight; Delaware, one; Maryland, six; Virginia, ten; North Carolina, five; South Carolina, five, and Georgia, three.

4. When vacancies happen in the representation from any State, the executive authority thereof shall issue writs of election to fill such vacancies.

5. The House of Representatives shall choose their speaker and other officers; and shall have the sole power of impeachment.

SECTION III. 1. The Senate of the United States shall be composed of two senators from each State, chosen by the legislature thereof, for six years; and each senator shall have one vote.

2. Immediately after they shall be assembled in consequence of the first election, they shall be divided as equally as may be into three classes. The seats of the senators of the first class shall be vacated at the expiration of the second year, of the second class at the expiration of the fourth year, and of the third class at the expiration of the sixth year, so that one-third may be chosen every second year; and if vacancies happen by resignation, or otherwise, during the recess of the legislature of any State, the executive thereof may make temporary appointments until the next meeting of the legislature, which shall then fill such vacancies.

3. No person shall be a senator who shall not have attained to the age of thirty years, and been nine years a citizen of the United States, and who shall not, when elected, be an inhabitant of that State for which he shall be chosen.

4. The Vice-President of the United States shall be president of the Senate, but shall have no vote unless they be equally divided.

5. The Senate shall choose their other officers, and also a president *pro tempore*, in the absence of the Vice-President, or when he shall exercise the office of President of the United States.

6. The Senate shall have the sole power to try all impeachments. When sitting for that purpose they shall be on oath or affirmation. When the President of the United States is tried, the Chief Justice shall preside; and no person shall be convicted without the concurrence of two-thirds of the members present.

7. Judgment, in cases of impeachment, shall not extend further than to removal from office, disqualification to hold and enjoy any office of honor, trust or profit under the United States; but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment and punishment, according to law.

SECTION IV. 1. The times, places and manner of holding elections for senators and representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the places of choosing senators.

2. The Congress shall assemble at least once in every

year; and such meeting shall be on the first Monday in December, unless they shall by law appoint a different day.

SECTION V. 1. Each house shall be the judge of the election, returns and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from day to day and may be authorized to compel the attendance of absent members, in such manner and under such penalties as each house may provide.

2. Each house may determine the rules of its proceedings, punish its members for disorderly behavior, and, with the concurrence of two-thirds, expel a member.

5. Each house shall keep a journal of its proceedings, and from time to time publish the same, excepting such parts as in their judgment require secrecy; and the yeas and nays of the members of either house on any question shall, at the desire of one-fifth of those present, be entered on the journal.

4. Neither house, during the session of Congress, shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two houses shall be sitting.

SECTION VI. 1. The senators and representatives shall receive a compensation for their services, to be ascertained by law, and paid out of the treasury of the United States. They shall, in all cases, except treason, felony, and breach of peace, be privileged from arrest during their attendance at the session of their respective houses, and in going to and returning from the same; and for any speech or debate in either house they shall not be questioned in any other place.

2. No senator or representative shall, during the time for which he was elected, be appointed to any civil office under the authority of the United States, which shall have been created, or the emoluments whereof shall have been increased, during such time; and no person holding any office under the United States shall be a member of either house during his continuance in office.

SECTION VII. 1. All bills for raising revenue shall originate in the House of Representatives; but the Senate may propose or concur with amendments as on other bills.

2. Every bill which shall have passed the House of Representatives and the Senate, shall, before it become a law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it with his objections, to that house in which it shall have originated, who shall enter the objections at large on their journal, and proceed to reconsider it. If after such reconsideration two-thirds of that house shall agree to pass the bill, it shall be sent, together with the objections, to the other house, by which it shall likewise, be

reconsidered and if approved by two-thirds of that house, it shall become a law. But in all such cases the votes of both houses shall be determined by yeas and nays, and the names of the persons voting for and against the bill shall be entered on the journal of each house respectively. If any bill shall not be returned by the President within ten days (Sundays excepted) after it shall have been presented to him, the same shall be a law in like manner as if he had signed it, unless the Congress, by their adjournment, prevent its return, in which case it shall not be a law.

3. Every order, resolution or vote to which the concurrence of the Senate and the House of Representatives may be necessary (except on a question of adjournment) shall be presented to the President of the United States; and before the same shall take effect, shall be approved by him, or, being disapproved by him, shall be repassed by two-thirds of the Senate and House of Representatives, according to the rules and limitations prescribed in the case of a bill.

SECTION VIII. The Congress shall have power—

1. To lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States;

2. To borrow money on the credit of the United States;

3. To regulate commerce with foreign nations, and among the several States, and with the Indian tribes;

4. To establish a uniform rule of naturalization, and uniform laws on the subject of bankruptcies throughout the United States;

5. To coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures;

6. To provide for the punishment of counterfeiting the securities and current coin of the United States;

7. To establish post-offices and post-roads;

8. To promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries;

9. To constitute tribunals inferior to the Supreme Court;

10. To define and punish piracies and felonies committed on the high seas, and offenses against the law of nations;

11. To declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water;

12. To raise and support armies, but no appropriation of money to that use shall be for a longer term than two years;

13. To provide and maintain a navy;

14. To make rules for the government and regulation of the land and naval forces;

15. To provide for calling forth the militia to execute the laws of the Union, suppress insurrections and repel invasions;

16. To provide for organizing, arming and disciplining the militia, and for governing such part of them as may be employed in the service of the United States, reserving to the States, respectively, the appointment of the officers, and the authority of training the militia according to the discipline prescribed by Congress;

17. To exercise exclusive legislation, in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other needful buildings;

And to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by this Constitution in the Government of the United States, or in any department or officer thereof.

SECTION IX. 1. The migration or importation of such persons as any of the States now existing shall think proper to admit shall not be prohibited by the Congress prior to the year one thousand eight hundred and eight, but a tax or duty may be imposed on such importation, not exceeding ten dollars for each person.

2. The privilege of the writ of *Habeas Corpus* shall not be suspended, unless when, in cases of rebellion or invasion, the public safety may require it.

3. No bill of attainder or *ex post facto* law shall be passed.

4. No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken.

5. No tax or duty shall be laid on articles exported from any State.

6. No preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another; nor shall vessels bound to or from one State be obliged to enter, clear, or pay duties in another.

7. No money shall be drawn from the treasury but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public moneys shall be published from time to time.

8. No title of nobility shall be granted by the United States; and no person holding any office of profit or trust under them shall, without the consent of the Congress, accept

of any present, emolument, office or title of any kind whatever, from any king, prince or foreign state.

Section X. 1. No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, *ex post facto* law, or law impairing the obligation of contracts, or grant any title of nobility.

2. No State shall, without the consent of the Congress, lay any impost or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts laid by any State on imports or exports shall be for the use of the treasury of the United States; and all such laws shall be subject to the revision and control of the Congress. No State shall, without the consent of the Congress, lay any duty of tonnage, keep troops or ships of war in time of peace, enter into any agreement or compact with another State, or with a foreign power, or engage in war, unless actually invaded, or in such imminent danger as will not admit of delay.

ARTICLE II.

SECTION I. 1. The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of four years; and, together with the Vice-President chosen for the same term, be elected as follows:

2. Each State shall appoint, in such manner as the legislature thereof may direct, a number of electors equal to the whole number of senators and representatives to which the State may be entitled in the Congress; but no senator or representative, or person holding an office of trust or profit under the United States, shall be appointed an elector.

3. The electors shall meet in their respective States, and vote by ballot for two persons, of whom one at least shall not be an inhabitant of the same State with themselves. And they shall make a list of all the persons voted for and of the number of votes for each; which list they shall sign and certify and transmit sealed to the seat of government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open all the certificates, and the votes shall then be counted. The person having the greatest number of votes shall be the President, if such number be a majority of the whole number of electors appointed; and if there be more than one who have such a majority, and have an equal number of votes, then the House of Representatives shall immediately choose, by ballot, one of them for President

and if no person have a majority, then, from the five highest on the list, the said House shall, in like manner, choose the President. But in choosing the President the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of all the States, and a majority of all the States shall be necessary to a choice. In every case, after the choice of the President, the person having the greatest number of votes of the electors shall be the Vice-President. But if there should remain two or more who have equal votes, the Senate shall choose from them, by ballot, the Vice-President.

4. The Congress may determine the time of choosing the electors, and the day on which they shall give their votes, which day shall be the same throughout the United States.

5. No person, except a natural-born citizen, or a citizen of the United States at the time of the adoption of this Constitution, shall be eligible to the office of President; neither shall any person be eligible to that office who shall not have attained the age of thirty-five years, and been fourteen years a resident within the United States.

6. In case of the removal of the President from office, or of his death, resignation, or inability to discharge the powers and duties of the said office, the same shall devolve on the Vice-President; and the Congress may, by law, provide for the case of removal, death, resignation or inability, both of the President and Vice-President, declaring what officer shall then act as President; and such officer shall act accordingly, until the disability be removed, or a President shall be elected.

7. The President shall, at stated times, receive for his services a compensation, which shall neither be increased nor diminished during the period for which he shall have been elected; and he shall not receive within that period any other emolument from the United States, or any of them.

8. Before he enter on the execution of his office, he shall take the following oath or affirmation:

"I do solemnly swear (or affirm) that I will faithfully execute the office of President of the United States; and will, to the best of my ability, preserve, protect and defend the Constitution of the United States."

SECTION II. 1. The President shall be commander-in-chief of the army and navy of the United States, and of the militia of the several States, when called into the actual service of the United States. He may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices, and he shall have power to grant reprieves

and pardons for offenses against the United States, except in cases of impeachment.

2. He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law. But the Congress may, by law, vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments.

3. The President shall have power to fill all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session.

SECTION III. 1. He shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient. He may, on extraordinary occasions, convene both houses, or either of them; and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper. He shall receive ambassadors and other public ministers. He shall take care that the laws be faithfully executed; and shall commission all officers of the United States.

SECTION IV. 1. The President, Vice-President and all civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

ARTICLE III.

SECTION I. 1. The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as Congress may from time to time ordain and establish. The judges both of the Supreme and inferior courts shall hold their offices during good behavior; and shall, at stated times, receive for their services a compensation which shall not be diminished during their continuance of office.

SECTION II. 1. The judicial power shall extend to all cases in law and equity arising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be a party; to controversies between two or more States, between a State and citizens of another

State, between citizens of different States, between citizens of the same State claiming lands under grants of different States, and between a State, or the citizens thereof, and foreign states, citizens, or subjects.

2. In all cases affecting ambassadors, other public ministers and consuls, and those in which a State shall be a party, the Supreme Court shall have original jurisdiction. In all the other cases mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

3. The trial of all crimes, except in cases of impeachment, shall be by jury, and such trial shall be held in the State where the said crime shall have been committed; but when not committed within any State, the trial shall be at such place or places as the Congress may by law have directed.

SECTION III. 1. Treason against the United States shall consist only in levying war against them or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court.

2. The Congress shall have power to declare the punishment of treason; but no attainder of treason shall work corruption of blood, or forfeiture, except during the life of the person attainted.

ARTICLE IV.

SECTION I. 1. Full faith and credit shall be given in each State to the public acts, records and judicial proceedings of every other State; and the Congress may, by general laws, prescribe the manner in which such acts, records and proceedings shall be proved, and the effect thereof.

SECTION II. 1. The citizens of each State shall be entitled to all privileges and immunities of citizens in the several States.

2. A person charged in any State with treason, felony, or other crime, who shall flee from justice, and be found in another State, shall, on demand of the executive authority of the State from which he fled, be delivered up to be removed to the State having jurisdiction of the crime.

3. No person held to service or labor in one State under the laws thereof, escaping into another, shall, in consequence of any laws or regulations therein, be discharged from such service or labor; but shall be delivered up on claim of the party to whom such service or labor may be due.

SECTION III. 1. New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the jurisdiction of any other State, nor any

State be formed by the junction of two or more States or parts of States, without the consent of the legislatures of the States concerned, as well as of the Congress.

2. The Congress shall have power to dispose of, and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be so construed as to prejudice any claim of the United States, or of any particular State.

SECTION IV. 1. The United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion; and, on application of the legislature, or of the executive (when the legislature cannot be convened), against domestic violence.

ARTICLE V.

1. The Congress, whenever two-thirds of both houses shall deem it necessary, shall propose amendments to this Constitution; or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments, which, in either case, shall be valid to all intents and purposes as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress; provided, that no amendment which may be made prior to the year one thousand eight hundred and eight shall in any manner affect the first and fourth clauses in the ninth section of the fifth article; and that no State, without its consent, shall be deprived of its equal suffrage in the Senate.

ARTICLE VI.

1. All debts contracted and engagements entered into before the adoption of this Constitution shall be as valid against the United States under this Constitution as under the Confederation.

2. This Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

3. The senators and representatives before mentioned and the members of the several State legislatures, and all executive and judicial officers, both of the United States and the several States, shall be bound by oath or affirmation to sup-

port this Constitution; but no religious test shall ever be required as a qualification to any office or public trust under the United States.

ARTICLE VII.

1. The ratification of the convention of nine States shall be sufficient for the establishment of this Constitution between the States so ratifying the same.

Done in convention by the unanimous consent of the States present, the seventeenth day of December, in the year of our Lord one thousand seven hundred and eighty, and of the Independence of the United States of America the twelfth. In witness whereof we have hereunto subscribed our names.

GEORGE WASHINGTON,
President, and Deputy from Virginia.

AMENDMENTS.

ARTICLE I.

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances.

ARTICLE II.

A well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed.

ARTICLE III.

No soldier shall, in time of peace, be quartered in any house without the consent of the owner, nor in time of war, but in a manner to be prescribed by law.

ARTICLE IV.

The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, shall not be violated; and no warrants shall issue but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

ARTICLE V.

No person shall be held to answer for a capital or other-

wise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb, nor shall be compelled, in any criminal case, to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.

ARTICLE VI.

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law; and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

ARTICLE VII.

In suits at common law, where the value in controversy shall exceed twenty dollars, the right of trial by jury shall be preserved; and no fact tried by a jury shall be otherwise re-examined, in any court of the United States, than according to the rules of the common law.

ARTICLE VIII.

Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted.

ARTICLE IX.

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

ARTICLE X.

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

[The preceding ten amendatory articles were proposed to the legislatures of the States by the first Congress, September 25, 1789, and notification of ratification received from all the States except Connecticut, Georgia and Massachusetts.]

ARTICLE XI.

The judicial power of the United States shall not be con-

strued to extend to any suit in law or equity commenced or prosecuted against one of the United States by citizens or subjects of any foreign state.

[Proposed by the Third Congress, and Congress notified of its adoption January 8, 1793.]

ARTICLE XII.

1. The electors shall meet in their respective States, and vote by ballot for President and Vice-President, one of whom, at least, shall not be an inhabitant of the same State with themselves. They shall name in their ballots the person voted for as President, and in distinct ballots the person voted for as Vice-President; and they shall make distinct lists of all persons voted for as President, and of all persons voted for as Vice-President; and of the number of votes for each; which lists they shall sign and certify, and transmit sealed to the seat of government of the United States, directed to the President of the Senate. The President of the Senate shall, in the presence of the Senate and House of Representatives, open the certificates, and the votes shall then be counted. The person having the greatest number of votes for President shall be the President, if such number be a majority of the whole number of electors appointed; and if no person have such majority, then from the persons having the highest numbers, not exceeding three on the list of those voted for as President, the House of Representatives shall choose immediately, by ballot, the President. But, in choosing the President, the votes shall be taken by States, the representation from each State having one vote; a quorum for this purpose shall consist of a member or members from two-thirds of the States, and a majority of all the States shall be necessary to a choice. And if the House of Representatives shall not choose a President whenever the right of choice shall devolve upon them, before the fourth day of March next following, then the Vice-President shall act as President, as in the case of the death or other constitutional disability of the President.

2. The person having the greatest number of votes as Vice-President shall be the Vice-President, if such number be a majority of the whole number of electors appointed, and if no person have a majority, then from the two highest numbers on the list the Senate shall choose the Vice-President. A quorum for the purpose shall consist of two-thirds of the whole number of senators, and a majority of the whole number shall be necessary to a choice.

3. But no person constitutionally ineligible to the office of President shall be eligible to that of Vice-President of the United States.

[Proposed by the Eighth Congress, and declared adopted September 25, 1804, by proclamation of the Secretary of State.]

ARTICLE XIII.

1. Neither slavery nor involuntary servitude, except as a punishment for crime, whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

2. Congress shall have power to enforce this article by appropriate legislation.

[Proposed by the Thirty-eighth Congress, and declared adopted December 18, 1865, by proclamation of the Secretary of State.]

ARTICLE XIV.

SECTION I. All persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside. No State shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States, nor shall any State deprive any person of life, liberty, or property, without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

SECTION II. Representatives shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State, excluding Indians not taxed. But when the right to vote at any election for the choice of electors for President and Vice-President of the United States, representatives in Congress, the executive and judicial officers of a State, or the members of the legislature thereof, is denied to any of the male inhabitants of such State, being twenty-one years of age, and citizens of the United States, or in any way abridged, except for participation in rebellion or other crime, the basis of representation therein shall be reduced in the proportion which the number of such male citizens shall bear to the whole number of male citizens twenty-one years of age in such State.

SECTION III. No person shall be a senator or representative in Congress, or elector of President and Vice-President, or hold any office, civil or military, under the United States, or under any State, who, having previously taken an oath as a member of Congress, or as an officer of the United States, or as a member of any State legislature, or as an executive or judicial officer of any State, to support the Constitution of the United States, shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof; but Congress may, by a vote of two-thirds of each house, remove such disability.

SECTION IV. The validity of the public debt of the United States, authorized by law, including debts incurred for payment of pensions and bounties for services in suppressing insurrection or rebellion, shall not be questioned. But neither the United States nor any State shall assume or pay any debt or obligation incurred in aid of insurrection or rebellion against the United States, or any claim for the loss or emancipation of any slave; but all such debts, obligations and claims shall be held illegal and void.

SECTION V. The Congress shall have power to enforce, by appropriate legislation, the provisions of this article.

[Proposed by the Thirty-ninth Congress and declared adopted by concurrent resolution of Congress, July 21, 1868.]

ARTICLE XV.

SECTION I. The right of citizens of the United States to vote shall not be denied or abridged by the United States, or any State, on account of race, color or previous condition of servitude.

SECTION II. The Congress shall have power to enforce this article by appropriate legislation.

[Proposed by the Fortieth Congress, and declared adopted by proclamation of the Secretary of State, March 30, 1870.]



Workingmen Easily Gulled.

Who fought for King George in 1776? Working people.

What interest did they have in being ruled by him? None.

Why, then, did they risk their lives for him? Because he hired them.

Where did the king get the money to pay them? By taxing them.

Then they really paid themselves for fighting? Certainly.

In every war ever fought the working people paid the expenses. Why did they do it? For the same reason that working people vote the same ticket as the Pullmans, Clevelands, Carlises, Shermans and their fellows—they don't know any better. They can't see the cat.

Will they ever learn better? Oh, maybe.



“WHAT constitutes a state? . . .
. . . Men who their duties know,
But know their rights, and, knowing,
Dare maintain.”

—Jones.

“Oppression, injustice and poverty shall cease in the land.”

THE NEW DECLARATION OF INDEPENDENCE.

Preamble and Platform of the People's Party.

*Unanimously Adopted at the First National Convention at
Omaha, on the fourth day of July, 1892.*

ASSEMBLED upon the one hundred and sixteenth anniversary of the Declaration of Independence, the People's Party of America, in their first national convention, invoking upon their action the blessing of Almighty God, put forth, in the name and on behalf of the people of this country, the following preamble and declaration of principles:

PREAMBLE.

The conditions which surround us best justify our co-operation. We meet in the midst of a nation brought to the verge of moral, political and material ruin. Corruption dominates the ballot-box, the legislatures, the Congress, and touches even the ermine of the bench. The people are demoralized; most of the States have been compelled to isolate the voters at the polling-places, to prevent universal intimidation or bribery. The newspapers are largely subsidized or muzzled; public opinion silenced; business prostrated; our homes covered with mortgages; labor impoverished, and the lands concentrating in the hands of the capitalists. The urban workmen are denied the right of organization for self-protection; imported pauperized labor beats down their wages; a hireling standing army, unrecognized by our laws, is established to shoot them down, and they are rapidly degenerating into European conditions. The fruits of the toil of millions are boldly stolen to build up colossal fortunes for a few, unprecedented in the history of mankind, and the possessors of these, in turn, despise the Republic and endanger liberty. From the same prolific womb of governmental injustice we breed the two great classes—tramps and millionaires.

The national power to create money is appropriated to enrich bondholders. A vast public debt, payable in legal tender currency, has been funded into gold-bearing bonds, thereby adding millions to the burdens of the people.

Silver, which has been accepted as coin since the dawn of history, has been demonetized to add to the purchasing power of gold, by decreasing the value of all forms of property as well as human labor, and the supply of currency is purposely

abridged to fatten usurers, bankrupt enterprise, and enslave industry. A vast conspiracy against mankind has been organized on two continents, and is rapidly taking possession of the world. If not met and overthrown at once, it forebodes terrible social convulsions, the destruction of civilization, or the establishment of an absolute despotism. We have witnessed for more than a quarter of a century the struggles of the two great political parties for power and plunder, while grievous wrongs have been inflicted upon the suffering people. We charge that the controlling influences dominating both these parties have permitted the existing dreadful conditions to develop without serious effort to prevent or restrain them. Neither do they now promise us any substantial reform. They have agreed together to ignore in the coming campaign every issue but one. They propose to drown the outcries of a plundered people with the uproar of a sham battle over the tariff, so that capitalists, corporations, national banks, rings, trusts, watered stock, the demonetization of silver and the oppressions of the usurers may all be lost sight of. They propose to sacrifice our homes, lives and children on the altar of Mammon; to destroy the multitude in order to secure corruption funds from the millionaires.

Assembled on the anniversary of the birthday of the nation, and filled with the spirit of the grand generation who established our independence, we seek to restore the government of the Republic to the hands of "the plain people," with whose class it originated. We assert our purposes to be identical with the purposes of the National Constitution—"to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare and secure the blessings of liberty for ourselves and our posterity."

We declare that this Republic can only endure as a free government while built upon the love of the whole people for each other and for the nation; that it cannot be pinned together by bayonets; that the civil war is over, and that every passion and resentment which grew out of it must die with it, and that we must be in fact, as we are in name, one united brotherhood of freemen.

Our country finds itself confronted by conditions for which there is no precedent in the history of the world. Our annual agricultural productions amount to billions of dollars in value, which must within a few weeks or months be exchanged for billions of dollars of commodities consumed in their production; the existing currency supply is wholly inadequate to make this exchange; the results are falling prices, the formation of combines and rings, the impoverishment of

the producing class. We pledge ourselves that, if given power, we will labor to correct these evils by wise and reasonable legislation in accordance with the terms of our platform.

We believe that the powers of government—in other words, of the people—should be expanded (as in the case of the postal service) as rapidly and as far as the good sense of an intelligent people and the teachings of experience shall justify, to the end that oppression, injustice and poverty shall eventually cease in the land.

While our sympathies as a party of reform are naturally upon the side of every proposition which will tend to make men intelligent, virtuous and temperate, we nevertheless regard these questions, important as they are, as secondary to the great issues now pressing for solution, and upon which not only our individual prosperity but the very existence of free institutions depends; and we ask all men to first help us to determine whether we are to have a republic to administer before we differ as to the condition upon which it is to be administered; believing that the forces of reform this day organized will never cease to move forward until every wrong is remedied, and equal rights and equal privileges securely established for all the men and women of this country. We declare, therefore:

DECLARATION OF PRINCIPLES.

First—That the union of the labor forces of the United States this day consummated shall be permanent and perpetual. May its spirit enter into all hearts for the salvation of the Republic and the uplifting of mankind.

Second—Wealth belongs to him who creates it, and every dollar taken from industry without an equivalent is robbery. "If any will not work, neither shall he eat." The interests of rural and civic labor are the same; their enemies are identical.

Third—We believe that the time has come when the railroad corporations will either own the people or the people must own the railroads, and should the government enter upon the work of owning and managing any or all railroads, we should favor an amendment to the Constitution by which all persons engaged in the government service shall be placed under a civil service regulation of the most rigid character, so as to prevent the increase of the power of the national administration by the use of such additional government employes.

FINANCE AND CURRENCY.

We demand a national currency, safe, sound and flexible, issued by the general government only, a full legal-tender for all debts, public and private; and that, without the use of

banking corporations, a just, equitable and efficient means of distribution direct to the people, at a tax not to exceed two per cent. per annum, be provided, as set forth in the sub-treasury plan of the Farmers' Alliance, or a better system; also by payments in discharge of its obligations for public improvements.

1. We demand free and unlimited coinage of silver and gold at the present legal ratio of 16 to 1.

2. We demand that the amount of circulating medium be speedily increased to not less than \$50 per capita.

3. We demand a graduated income tax.

4. We believe that the money of the country should be kept as much as possible in the hands of the people, and hence we demand that all State and national revenues shall be limited to the necessary expenses of the government, economically and honestly administered.

5. We demand that postal savings banks be established by the Government for the safe deposit of the earnings of the people, and to facilitate exchange.

TRANSPORTATION.

Transportation being a means of exchange and a public necessity, the government should own and operate the railroads in the interest of the people.

The telegraph and telephone, like the post-office system, being a necessity for the transmission of news, should be owned and operated by the government in the interest of the people.

LAND OWNERSHIP.

The land, including all the natural resources of wealth, is the heritage of the people, and should not be monopolized for speculative purposes, and alien ownership of land should be prohibited. All land now held by railroads and other corporations in excess of their actual needs, and all lands now owned by aliens, should be reclaimed by the government and held for actual settlers only.

SUPPLEMENTAL RESOLUTIONS.

WHEREAS, Other questions have been presented for our consideration, we hereby submit the following, not as a part of the platform of the People's Party, but as resolutions expressive of the sentiment of this convention:

Resolved, First, That we demand a free ballot and a fair count in all elections, and pledge ourselves to secure it to every legal voter without Federal intervention through the adoption

by the States of the unpurverted Australian or secret ballot system.

Resolved, Second, That the revenue derived from a graduated income tax should be applied to the reduction of the burden of taxation now levied upon the domestic industries of this country.

Resolved, Third, That we pledge our support to fair and liberal pensions of ex-Union soldiers and sailors.

Resolved, Fourth, That we condemn the fallacy of protecting American labor under the present system, which opens our ports to the pauper and criminal classes of the world, and crowds out our wage-earners; and we denounce the present ineffective laws against contract labor, and demand the further restriction of undesirable immigration.

Resolved, Fifth, That we cordially sympathize with the efforts of organized workingmen to shorten the hours of labor, and demand a rigid enforcement of the existing eight-hour law on government work, and ask that a penalty clause be added to the said law.

Resolved, Sixth, That we regard the maintenance of a large standing army of mercenaries, known as the Pinkerton system, as a menace to our liberties, and we demand its abolition; and we condemn the recent invasion of the Territory of Wyoming by the hired assassins of plutocracy, assisted by Federal officers.

Resolved, Seventh, That we commend to the thoughtful consideration of the people and the reform press the legislative system known as the *ab initio ad referendum*.

Resolved, Eighth, that we favor a constitutional provision limiting the offices of President and Vice-President to one term, and providing for the election of senators of the United States by a direct vote of the people.

Resolved, Ninth, That we oppose any subsidy or national aid to any private corporation for any purpose.



“THE magnificent conservative forces of our Republic live upon its farms. There is our safety in the hour of trial. Rome fell because her loafers and cityites were the only voters. They had no homes to protect—they had only votes to sell.”—*John Mc Govern.*



“BUT words are things, and a small drop of ink,
Falling, like dew, upon a thought, produces
That which makes thousands, perhaps millions, think.”
—*Byron.*

“This Republic can endure only while built upon the love of the whole people for each other and for the nation.”

A NEW STUDY OF POLITICAL ECONOMY.

Based on the Omaha Platform.

ECONOMY is the Anglicized form of a Greek word meaning household management. Political economy may therefore be defined as the management of the political household. It is the object of this book to look into the management of the political household known as the United States of America. Every citizen shares in the responsibility of managing this household, and should therefore make it his business to be informed on every question concerning it. Rich or humble, learned or otherwise, it is his duty to see for himself and not to allow professional politicians or interested parties to do his thinking for him. Citizen politicians, as distinguished from professional politicians, should manage the affairs of this nation.

The first thing an American citizen should do is to rid himself of the erroneous idea that to engage in politics is dishonorable. Politicians may be dishonest, quite frequently are, in fact; but that is because the people permit them to be. The prevailing idea of politics to-day is that it is “the art of getting there if you can.” Chambers, however, defines it as follows:

“That branch of ethics which has for its subject the proper mode of governing a state, so as to secure its prosperity, peace and safety, and to attain, as perfectly as possible, the ends of civil society. Among the subjects which political science embraces are the principles on which government is founded, the hands in which the supreme power may be most advantageously placed, the duties and obligations of the governing and the governed portions of society, the development and increase of the resources of the state, the protection of the rights and liberties of the citizens, the preservation of the morals and the defense of the independence of the State against foreign control or conquest. While the philosophy of governing constitutes the *science* of politics, the *art* of politics

consists in the application of that science to the individual circumstances of particular states.”

The principles on which the government of our country is founded are set forth in the Declaration of Independence and the Constitution. The other subjects embraced in the general term *political science* are now to be considered, and they will be considered here with special reference to the platform of principles promulgated by the People's Party.

The land in which we live is favored in natural resources above all others on the planet, but in spite of all the blessings of Providence, in spite of the acknowledged industry of an intelligent people, want, destitution and suffering prevail. Our granaries are filled to overflowing—and yet we read of starvation. We read of over-production, and yet we see every day men, women and children suffering from cold and hunger. We have more millionaires than any other nation of history—and more paupers—and the number of both is increasing. There must be something wrong with our political economy.

Let us see where the trouble lies.

First, let us examine carefully the conditions which surround us—then propose remedies.

The present chapter is intended as a general summary of the Omaha platform—the People's Party's solution of the great economic problems of the day. A speech recently delivered by Mr. W. Scott Morgan, of Arkansas, does this so logically and so systematically that it was deemed wise to print it here. Further on the more important subjects, and especially the Initiative and Referendum, will be discussed at greater length.

LADIES AND GENTLEMEN:—I am glad to meet so many of you here to-day. I am glad to know that the time has come when party lines are resting so loosely that people are investigating and want to know the truth. I am glad that we have arrived at that point where mere promises and platforms will not answer the demands of the people; that the people are judging men and parties by the work they accomplish; that the tree is judged by the fruit. By that measure we are willing to be measured, and by that measure we propose to measure others.

My friends, I hope we have here as fellow-citizens. I hope

no man's fealty to his party will prevent him from hearing and knowing the truth. I believe that the masses of the people are honest, and want to know the truth and do right. I am not here to deceive you, or to defend a party record that has not been in accord with the interests of the people. I believe in the principles of Democracy. I believe in the principles of Republicanism. Those principles are so nearly alike that Thomas Jefferson belonged to both parties. The Democratic party was once called the Republican party to distinguish it from the Federal party, led by Hamilton. I say that I am willing to stand upon the principles of Democracy, but I want to belong to a party that is trying to carry out those principles.

If you have voted the Democratic ticket, you have no doubt done what you thought best. If you have voted the Republican ticket, you have done the same. A Populist has done no more. We are all citizens of a common country. Our interests are the same. We all love our families, our homes, our country and its flag. If we are good citizens we place each of those things above party, and God above all.

And now, my friends, I want to tell you a little anecdote, and hope you will all make the right application of it. A friend of mine, Joe Taggart, told Bill Skinner he believed there were a hundred rats under his barn. Bill suggested that he had better come down a rat or two, but Joe wouldn't do it, and finally they made a bet, Bill betting \$5 there weren't a hundred rats there. Joe got a long pole, and said he would get under the barn and stir the rats up, and Bill could count them. Bill said that was all right. Joe crawled under the barn and began to punch around, and presently the whole ground was covered with rats. Directly Joe called out: "How many rats do you see, Bill?" "Not a rat," said Bill. Then Joe did some more vigorous punching, and again asked Bill how many he saw. "Didn't see a rat," replied Bill. Then Joe raised a bigger racket than ever, and the rats fairly swarmed and tumbled over each other. They were running out from under the barn, across the lot, under the cribs, and two or three actually ran over Bill, who was lying down, apparently looking under the barn. "Do you see any now?" said Joe. "Nary a rat," said Bill. Joe threw down his pole in disgust, brushed the dirt off his clothes, and said: "Bill, why couldn't you see the rats? They were running all over you." "I had my eyes shut; I didn't want to see 'em," said Bill. Now, my friends, I want to say that there is no bet up between you and me. I hope you have not come out here with your eyes shut. If there are any rats under the political barn it is to your interest to see them. I'm going to punch around the

old party barn today, and I want you all to keep your eyes open and count the rats. It may be that some of you will come to the conclusion that there are so many rats and other pests that you will not want to stay any longer in that barn for fear of being destroyed by vermin.

There is no sensible reason why the American working-men, and especially the American farmers, should not be the most prosperous and happy people on earth. In intelligence, industry and natural productive resources we excel any other nation in the world. Our commercial ships touch the ports of every civilized nation. Our 165,000 miles of railway, spreading a steel net over every part of our vast domain, furnish means of transportation not equaled by any other country in the world. Our natural resources are unparalleled. Yet, with all the blessings of a kind providence on one hand, we find want, destitution and suffering on the other, and we are here to-day seeking information as to the causes of this anomalous condition. Over-production cannot solve the problem, for want and suffering cannot exist when there is plenty, and that properly and equitably distributed. Under-production, or "nothing to sell," will not solve it, for there is little demand for what we have to sell; besides, we have produced abundantly for years.

There are a few men in this country who contend that everything is lovely, and that we are getting on swimmingly. They are mostly speculators. They are reaping a rich harvest from low prices and the necessities of the people. Even farmers who have a little money to speculate on, and are out of debt, may profit in the prevailing hard times by speculating on the necessities of their less fortunate neighbors who are compelled to have money at any sacrifice of property. But ninety-nine out of every one hundred persons know that labor is not receiving its just reward; that the producer is not receiving an equitable share of the things produced. Where is the man or woman who does not feel the pressure of hard times?

The Burden of Debt.

In 1850 the farmers of this country owned 75 per cent of its wealth. In 1890 they owned but 29 per cent of it. In 1865 the people were practically out of debt, except public debts. In 1890 the most conservative estimates by reliable statisticians place the entire indebtedness of the people at \$32,000,000,000—thirty-two thousand million dollars. The census bulletin gives startling figures with regard to mortgage indebtedness on farms and homes. During the ten years from 1880 to 1890, there were 9,517,747 real estate mortgages placed on rec-

ord in the United States. The debt incurred on account of these mortgages was \$12,094,877,793. In 1880 there were given 643,143 mortgages representing an indebtedness of \$710,888,504. In 1889 there were given 1,226,323 mortgages representing an indebtedness of \$1,752,568,274, or an increase of 90 per cent in the number of mortgages and 146 per cent in the amount of indebtedness. The real estate mortgage indebtedness existing January 1, 1890, was over six thousand million dollars represented by nearly five million mortgages. Add to this the State, county, municipal, corporate and other private indebtedness, and it requires no stretch of the imagination to believe that it all amounts to \$32,000,000,000.*

The interest on this vast indebtedness will average not less than 6 per cent. This makes an interest charge on the industries of the people of \$1,920,000,000 per annum. This does not include rents, taxes, dividends to corporations, tributes to trusts and compulsory donations to rich manufacturers through the insidious workings of a so-called protective tariff. If we consider only the revenues that go into the public treasuries, national, State, county and municipal, it would reach in the aggregate no less than \$2,700,000,000. This is the fixed annual tribute which the people of this country must pay, and pay every dollar of it in money. This is the sum that we can see that we do pay as distinguished from a larger sum, perhaps, that we can only approximate by counting the number of millionaires we create.

But what does \$2,700,000,000 annual tribute mean? Divided up among our sixty-five millions of people, it means \$40 for every man, woman and child in the United States, and enough left undivided to build a railroad across the continent from New York to San Francisco. It means \$200 to every family of five persons. To every cotton raiser it means eight bales of cotton at present prices. To every wheat raiser it means 500 bushels of wheat. To the stock raiser it means twenty-five to thirty hogs, or fifteen to twenty head of cattle. To obtain the money to pay it you part with five times as much cotton and wheat, and three times as much stock or other products as you would twenty-eight years ago. But you say you do not pay that much—you do not raise that much cotton, wheat or stock. That may be true, yet you pay more of this vast sum than you think. You pay it in everything you buy. You may not owe a dollar in the world, but your merchant or manufacturer does, and when they sell the goods the interest is charged up and the consumer pays it. You may not pay your average proportion of that tribute, but you pay

*In a subsequent chapter it will be shown that the interest-bearing debt of this nation amounts to much more than this sum.

in accordance with what you sell and buy, for you are taxed on both. But this sum does not represent all of the burdens that are borne by the people. A system of trusts controls the price of every commodity that enters into general consumption, and each one lays tribute on the people with the same remorseless rapacity as the booted and spurred brigands of feudal ages, but with much more safety—for we live in an enlightened and civilized age. Debt is slavery. It makes no difference whether you owe a man your labor or the products of your labor. In either case you are his slave. In the case of chattel slavery the master drives you to work and appropriates the proceeds of your labor. In the case of debt slavery necessity compels you to work, and your creditor takes the proceeds of your labor. The chattel slave is entitled to and receives a good living, and his master takes the balance. In the other case the creditor receives a good living and the debtor slave takes the balance—if the tax collector don't get it.

It is the same old question that has agitated the world since the world began—the rights of man and the rights of property. The notes, bonds and mortgages representing the \$32,000,000,000 of indebtedness are as legal a title to the proceeds of American industry as were the deeds of conveyance of African slaves to the proceeds of their labor under the institution of slavery. The same questions arise now that were up then. Shall these slaves—these American laborers—be gradually emancipated from debt slavery—or shall debt slavery be extended until other Sumners, Garrisons and Phillipses, by their eloquence, stir up the public heart to the point of trampling on all legal safeguards, enactments and decisions, and shoot it to death as they destroyed chattel slavery? We concede that every man has a right to go into debt, but when he contracts a debt we insist that he has a right to pay that debt with money obtained with the same number of day's labor that it represented when the debt was made. No man has a right to demand a better dollar from his debtor than the dollar he loaned him. Because of the immense indebtedness, and because the equity of that indebtedness has been fraudulently changed by increasing the purchasing value of the dollar, we consider the money question paramount to all others.

One of the greatest obstacles we have to overcome is misrepresentation. People call us cranks who never read our platform. When people take the pains to investigate and understand our principles, they avoid placing themselves in ludicrous positions and saying many silly things.

Finance, Transportation and Land.

Finance, transportation and land are the cardinal princi-

ples of our platform. On these we are willing to be measured by the standard of the Democracy of Thomas Jefferson or the Republicanism of Abraham Lincoln. If we are not in accord with the teachings of Jefferson and Lincoln, then we give you permission to say that all our professions are as "sounding brass or a tinkling cymbal."

Finance.

On the question of finance our platform declares:

"We demand a national currency, safe, sound and flexible, issued by the general government only; a full legal tender for all debts, public and private; and that without the use of banking corporations, a just, equitable and efficient means of distribution direct to the people, at a tax not exceeding 2 per cent per annum, be provided, as set forth in the sub-treasury plan of the Farmers' Alliance, or some better system; also by payments in discharge of its obligations for public improvements.

"We demand the free and unlimited coinage of silver and gold at the present legal ratio of sixteen to one.

"We demand that the amount of the circulating medium be speedily increased to not less than \$50 per capita."

This plank analyzed means:

1. A safe, sound and flexible currency.
2. It shall be a full legal tender for all debts.
3. It shall be issued by the government, and not by the banks.
4. It may be loaned to the people at a tax of not more than 2 per cent.
5. It may be paid out for public improvements.
6. Free coinage of silver at the ratio of sixteen to one.
7. Circulating medium to amount to \$50 per capita.

No one will take issue with us on the first of these propositions, and we see no reason why they should on the second. Certainly no one in the West or South would. Let every dollar issued be issued to pay our debts to the rich as well as to buy the products of the poor.

OPPOSED TO BANKS OF ISSUE.

3. "It shall be issued by the government and not by the banks."

This is in accordance with old-time Democratic doctrine, but not with modern Democratic practice. Here is the expression of the Democratic party in 1840 on banks of issue:

Plank 6. "*Resolved*, That Congress has no power to charter a United States bank; that we believe such an institution one of deadly hostility to the best interests of the country,

dangerous to our republican institutions and the liberties of the people, and calculated to place the business of the country within the control of a concentrated money power and above the laws and will of the people."

This plank was reaffirmed in every platform up to 1860. Since that time the Democratic party has made no declaration of hostility to national banks in any of its national platforms.

In a letter to Mr. Gallatin, in 1803, Thomas Jefferson said: "This institution is one of the most deadly hostility existing against the principles and form of government." At another time he said: "Bank paper must be suppressed and the circulation restored to the nation, to whom it belongs." In volume 7, page 147, of Jefferson's Works, he treats this question in the following words:

"Certainly no nation ever before abandoned to the avarice and juggling of private individuals to regulate, according to their own interests, the quantum of circulating medium for the nation. To inflate by deluges of paper the nominal prices of property, and then to buy that property at one shilling on the pound, first having withdrawn their floating medium, which might endanger a competition in the purchase. Yet this is what has been done, and will continue to be done unless stayed by the protecting hand of our legislatures. The evil has been produced by the error of their sanction of this ruinous machinery of banks, and justice, wisdom, duty, all require that they interpose and arrest it before the schemes of plunder and spoliation desolate our country. If we suffer the moral of the present lesson to pass away without improvement by the eternal suppression of bank paper, then, indeed, is the condition of our country desperate. Interdict forever to both State and national government the power of establishing any paper bank, for without this interdiction we shall have the same ebbs and flows of medium, and the same revolutions of property, to go through every twenty or thirty years."

In these words Mr. Jefferson very distinctly points out the cause of the periodical panics and business depressions we have had in this country every twenty or thirty years. If he lived in this age he would be called a crank and calamity howler. This is exactly the position Populists take. We claim with Mr. Jefferson that as long as the banks issue the money, and thus control its volume, we will have panics and periods of business depression.

In a letter to Mr. Epps, dated November 6, 1813, Mr. Jefferson said:

"At the time we were funding our national debt we heard much about a 'public debt being a public blessing;' that the

stock representing it was a creation of active capital for the ailment of commerce, manufactures and agriculture.

"But the art and mystery of banks is a wonderful improvement on that. It is established on the principle that private debts are a public blessing.

"And to fill up the measure of blessing, instead of paying they receive interest on what they owe from those to whom they owe; for all the notes, or evidence of what they owe, which we see in circulation, have been lent to somebody on an interest which is levied again on us through the medium of commerce. And they are so ready still to deal out their liabilities to us, that they are now willing to let themselves run in our debt ninety millions more, on our paying them the same premium of 6 or 8 per cent. interest, and on the same legal exemption from the payment of more than thirty millions of the debt when it shall be called for.

"If the debt which the banking companies owe be a blessing to anybody, it is to themselves alone, who are realizing a solid interest of 8 or 10 per cent on it. As to the public, the companies have banished all our gold and silver medium, which before their institution we had without interest, instead of which they have given us two hundred millions of froth and bubble on which we are to pay them heavy interest.

"It is said that our paper is as good as silver, because we may have silver for it at the bank where it issues. This is not true. One, two or three persons might have it, but a general application would soon exhaust their vaults and leave a ruinous proportion of their paper in its intrinsic worthless form.

"When I speak comparatively of the paper emission of the old Congress and the present banks, let it not be imagined that I cover them under the same mantle."

Other American statesmen whose memory we cherish have left us a record of their expressions of hostility to banks of issue.

Thomas H. Benton said:

"The government ought not to delegate this power if it could. It is too great a power to be trusted to any banking company whatever, or to any but the highest and most responsible government."

Clay said:

"I conceive the establishment of this United States bank as dangerous to the safety and welfare of the republic."

John Randolph said:

"Charter a bank with \$35,000,000, let it establish and learn its power, and then find, if you can, means to bell the cat."

John C. Calhoun said:

"The bank is a union of the government and money power—a union far more dangerous than church and state."

James A. Garfield said:

"Whoever controls the volume of money in any country is absolute master of all industry and commerce."

Our opponents lose no opportunity to ridicule our position in opposition to banks of issue, and in favor of government issue of money. But we may console ourselves that Thomas Jefferson was also ridiculed for the same thing. In a letter to President Adams, January 24, 1814, he wrote:

"I have ever opposed money of banks; not of those discounting for cash, but of those fostering their own paper in circulation, and thus banishing our cash. My zeal against those institutions was so warm and open at the establishment of the Bank of the United States that I was derided as a maniac by the tribe of bank mongers who were seeking to filch from the public."

If anything further were needed to show that our position on this question is in accordance with time-honored Democratic principles, the following extract taken from President Jackson's veto message to Congress, December 2, 1834, will be sufficient:

"Circumstances make it my duty to call the attention of Congress to the Bank of the United States. Created for the convenience of the government, that institution has become the scourge of the people. Its interference to postpone the payment of a portion of the national debt that it might retain the public money appropriated for that purpose to strengthen it in a political contest, the extraordinary extension and contraction of its accommodations to the community, its corrupt and partisan loans, its exclusion of the public directors from a knowledge of its most important proceedings, the unlimited authority conferred on the President to expend its fund in hiring writers and procuring the execution of printing and the use made of that authority, the retention of the pension money and books after the selection of new agents, have through various channels been laid before Congress. They were substantially a confession that all the real distresses which individuals and the country had endured for the preceding six or eight months have been needlessly produced by it with the view of affecting, through the sufferings of the people, the legislative action of Congress."

GOVERNMENT LOANS.

One of the great bugaboos in our platform is the declaration in favor of government loans. We are told that it is not only impractical, but unconstitutional. It has become quite

popular now to pronounce everything unconstitutional that has for its object relief for the masses. The government may loan to five individuals who will incorporate themselves into a company under the name of a national bank, but it is a violation of the Constitution to loan to a farmer, who owns the basis of all securities—land. The government has loaned millions of dollars to exposition and railroad companies with practically no security, and no one has been swift to denounce it as unconstitutional. Government has loaned money to banks, with and without interest. The government has loaned money to the States, and States have loaned money to individuals, on real estate security. The States of Missouri and Oregon loan their school money to farmers on real estate security. For years Eastern loan companies have proved the practicability and safety of real estate loans by plastering the country over with mortgages. Certainly the farmer can better pay 2 per cent than 8 to 10 per cent. The amount saved in the difference of interest would pay the principal in fifteen years. No man has ever been able to point out where or why it is unconstitutional. It is not a new idea. The Massachusetts colony issued money, and loaned to her people for a specified term of years money to the amount of £115,000. After a trial of this plan for four years every industry seemed to flourish and thrive as never before. The colony then, in 1720, just four years later, issued another loan, making in all money issued and loaned to the people on real estate securities £222,000 or \$1,110,000. The same authority shows that other colonies followed this same mode.

Russia makes land loans to her peasant farmers. The Dominion of Canada recently made an experiment in that direction with marked success. They made a long-time loan to members of the Mennonite colony at a low rate of interest, and every dollar of it was paid. Why should it be thought a thing incredible and impractical to loan money on land when land is considered the basis of all security? Let the nine millions of mortgages that were placed on land from 1880 to 1890 at an average rate of 6 3-5 per cent. answer the question.

Although Coxe's plan to issue money to build good roads, and thereby not only increase the volume of currency, but give employment to the idle, was ridiculed and scorned by Congress, and Coxe himself put in jail ostensibly for carrying a banner a size larger than a Columbian postage stamp, and fined for walking on the grass, it is not generally known that the road he traveled from Massillon, Ohio, to Washington, was built by the national government and paid for out of national funds. The great national pike is an enduring monument of the idea which inspired Coxe and is in accord with

that part of our platform. The improvement of the waterways is also exactly in line with this principle. There is nothing impractical, nothing unconstitutional, or nothing new and strange in this declaration.

FREE COINAGE.

The People's Party are in favor of free coinage of silver at the ratio of 16 to 1 without waiting for the consent of any other nation on earth. We favor this proposition because it will increase the volume of currency in circulation and contribute not only to make better prices for the products of labor, but to break the power which the bankers now have to control the currency. The People's Party is the only national party that favors free and unlimited coinage of silver. It is the only party that put an absolute free silver plank in its national platform. It is the only party that ran a free silver candidate for President. It is the only party whose members of Congress cast a solid and united vote for free silver when the question came up in Congress. It is the only party that will ever give this country free silver.

FIFTY DOLLARS PER CAPITA.

The People's Party has been charged with wanting to flood the country with money. Our platform demands an increase of the volume of currency to \$50 per capita. It is now, according to the report of the Secretary of the Treasury, about \$24 per capita—most of which is not in active circulation. France has over \$40 per capita in circulation, and this country directly after the late war, the most prosperous period in its history, had \$50 per capita. The wildest "dreamer" or "inflationist," as we are sometimes called, has not asked for more than that. With our undeveloped resources and our immense territory we think it not too much.

THE INCOME TAX.

We demand a graduated income tax. We believe that those whose incomes reach up into the thousands should be taxed on that income to help bear the burdens of government. We believe that that tax should be made heavier as that income increases, so that if a man's income was \$1,000,000 the government would get such a large slice of it in the way of an income tax that he would wish he was something else besides a millionaire. We are charged here with wanting to limit the amount a man shall make. We don't want to do any such thing, but we do want to limit the amount he steals. In 1863

there was a law passed creating a tax on incomes. It expired by limitation in 1871. During that time there were collected under that law the following amounts:

From personal incomes.....	\$264,190,863
From corporations.....	68,250,504
From salaries of United States officers and employes.....	13,889,604
	<hr/>
Total amount collected.....	\$347,220,897

The Senate sugar tariff bill contains an income tax in a modified form—very much modified.

ECONOMY.

The People's Party believes in economy. Our platform declares:

“We believe that the money of the country should be kept as much as possible in the hands of the people, and hence we demand that all State and national revenues shall be limited to the necessary expenses of the government, economically and honestly administered.”

The only objection we have ever known to that plank is in the practices of the leaders of the two old parties.

POSTAL SAVINGS BANKS.

“We demand that postal savings banks be established by the government for the safe deposit of the earnings of the people and to facilitate exchange.”

This has been recommended by various postmasters-general. The Dominion of Canada, in 1867, passed an act creating post-office banks, but it was limited to the provinces of Ontario and Quebec, and on September 1, 1885, was extended to the provinces of Nova Scotia and New Brunswick. There were 494 offices in 1890. On June 30, 1890, these banks reported 112,321 depositors, with total deposits amounting to \$21,900,653, an increase of nearly \$19,000,000 in ten years. There were also government banks established in the Maritime Provinces and in Manitoba and British Columbia, with forty-one branches, but are being merged into post-office savings banks. Rate of interest paid is 3½ per cent.

The bank failures of 1893 have made many advocates of postal savings banks. Such banks would make panics impossible.

The Transportation Problem.

The People's Party is in favor of government ownership of

railways. On this question our platform declares as follows:

"We believe that the time has come when the railroad corporations will either own the people or the people must own the railroads; and should the government enter upon the work of owning and managing any or all railroads, we should favor an amendment to the Constitution by which all persons engaged in the government service shall be placed under a civil service regulation of the most rigid character, so as to prevent the increase of the power of the national administration by the use of such additional government employes.

"Transportation being a means of exchange, and a public necessity, the government should own and operate the railroads in the interest of the people."

We are aware that in the treatment of this subject we are treading on grounds that are hotly contested. We have no hesitation in approaching it. Many people are foolish enough to believe that government ownership is a new fantastical idea that originated within the chimerical brain of some crazy Populist. The idea of government ownership is as old as the invention of railroads. Among the governments now owning and operating their own lines, together with the number of miles they are operating, are the following: Germany, 23,843; Austria-Hungary, 7,800; Belgium, 3,000; Italy, 8,110; Portugal, 600; Denmark, 963; Norway, 700; Roumania, 1,900; Russia, 6,824; British India, 8,423; Japan, 710; Egypt, 1,200; the Cape Colony, 1,974; Port Natal, 399; New South Wales, 2,182; Victoria, 2,688; Tasmania, 1,900; New Zealand, 1,824; South Australia, 1,752; Queensland, 2,058; West Australia, 496; Chile, 682; Argentine, 1,817; Brazil, 1,568.

These figures are taken from statistical reports ranging from the year 1888 to 1892. In addition to these the Dominion of Canada owns and operates four railways, the cost of which up to June 30, 1890, was \$52,800,000. Besides this, the government exercises the strictest control over the roads owned by corporations.

In South America most of the governments own and operate a portion or all of their railroads. The Republic of Ecuador, in 1889, owned and operated most of her railroads. The total number of miles operated in Chile, in 1887, was 1,674, of which 682 were owned by the state. The Argentine Republic, in 1887, owned and operated 1,148 miles of railroad; Buenos Ayres, 572, and the Province of Santa Fe, 102 miles. Brazil owns and operates 1,200 miles of railroad, which yields a net income of 3 per cent on the capital invested. Germany, perhaps, owns and operates more miles of railroad than any other nation. The total number of miles in operation in that country, in 1891, was 43,000 kilometres, or nearly 27,000 miles. Of

these roads the government owned and operated 38,250 kilometres, or more than 23,000 miles. The Annual of 1889 contains the statement that the roads had turned into the public treasury 1,006,262,000 marks, or about \$250,000,000, with which about 4,000 miles of new road had been constructed, with quite a good sum left unexpended.

Ex-Governor William Larrabee in his excellent work, "The Railroad Question," which is recognized as a standard book on the subject, and from which we have quoted largely, says:

"No one can contradict the following facts, viz.: That the average cost of European roads is much greater than that of American roads; that the number of railroad employes per mile is much greater than here; that much larger sums are expended for repairing and improving the roads, and that, therefore, the lives of passengers are much safer in Europe than in America, and that the average speed and corresponding accommodations of European trains, and especially those of England, France and Austria-Hungary, compare quite favorably with the average speed and corresponding accommodations of our roads. It is, under these circumstances, absurd to claim that the higher prices charged by American roads are due to the greater cost of service."

Governor Larrabee quotes from Arthur T. Hadley, "Railroad Transportation, Its History and Its Laws," this statement:

"The importance of the zone system in Austria and in Hungary lies in the fact that its adoption was accompanied by a great reduction in rates. The unit rate for slow third-class trains, which had previously been nearly 1½ cents per mile, was reduced to less than 1 cent."

Speaking of the effect of this reduction of rates, Mr. Larrabee says:

"The zone system recently adopted in Hungary reduced both the passenger and freight rates of the government roads at least one-third, and this reduction has, contrary to expectations, greatly increased their net revenues."

In summarizing the results of government ownership in European countries, Mr. Larrabee says:

"For the past fifteen years there has been a decided drift on the European continent toward state ownership of railroads."

The principle upon which the demand for government ownership rests, is that railroads are public highways, necessary to the public welfare and convenience, the same as our public roads and waterways, and as forming too important a

factor in the commerce and exchange of the country to be left to the whims and caprices of individuals.

TELEGRAPH AND TELEPHONE LINES.

On the subject of telegraphs and telephones our platform contains the following declaration:

"The telegraph and the telephone, like the post-office system, being a necessity for the transmission of news, should be owned and operated by the government in the interest of the people."

One of the greatest monopolies in the land is the Western Union Telegraph Company. Its exactions on the people are without a parallel. It controls not only the quantity of news furnished our great metropolitan papers, but the quality. Starting in 1858 with a capital of \$358,700, it declared "stock dividends" in eight years of \$17,810,146. It then added nearly two million dollars for new lines, making its capital \$20,000,000. The next year it added \$20,000,000 of watered stock, which increased its capital to \$40,000,000. At present it is \$100,000,000. Its annual average profits for the period of thirty-four years have been 300 per cent., its largest dividend reaching 414 per cent. Every \$1,000 invested in 1858 has paid \$58,000 in stock dividends and \$100,000 cash. If the government would buy it the net profits would create a sinking fund that would pay for the entire system in ten years, after which prices could be reduced to less than one-third of the present rates. England and France own their telegraph lines, and while the rates are less than half what they are in this country, the lines pay a net revenue, above all expenses, into the public treasury. A recent number of the *Arena* contains an excellent article by Justice Clark, of the Supreme Court of North Carolina, showing from a judicial standpoint that Congress would not only be justified, but that it is under legal and moral obligation under the Constitution to give the people the best and speediest postal facilities such as the telegraph affords.

Land.

Land is the source of all human subsistence. The earth provides for every human want. On this question our platform makes the following declaration:

"The land, including all the natural sources of wealth, is the heritage of all the people, and should not be monopolized for speculative purposes, and alien-ownership of land should be prohibited. All lands now held by railroads and other corporations, in excess of their actual needs, and all lands now

owned by aliens, should be reclaimed by the government and held for actual settlers only."

As the land is the source from which all human necessities are supplied, we believe that no man has a right to more than he needs for his own use while others are homeless and suffering for that which it can be made to produce. Property rights must always give way to human rights. Private rights must be subordinate to the public welfare. Predicated on the grand principle of greatest good to the greatest number, we have made this declaration on land.

Our Condition.

Having thus briefly discussed the principles embodied in our platform, it now devolves upon us to point out a remedy for existing evils. Before doing this, however, it becomes necessary for us to understand our condition and the causes which have led to it. To this end I could do no better than to first call your attention to the preamble of our platform adopted at Omaha, July 4, 1892. Let every man read that document. It foretells with unerring truth the disasters which have recently overwhelmed us. In the light of these events it reads like a prophecy. Millions of men and women are out of employment, and soon the cold blasts of winter will witness such suffering and privation as was never before known in this country. Silver has been demonetized and the banks clothed with a power over our currency and over the business of the country that endangers our liberties and our prosperity. In twenty-one years, from 1871 to 1892, the people paid to the railroad companies the enormous sum of \$16,004,537,112. The assessed value of all the property in the United States in the year 1880 was \$16,902,993,543. In other words, we have paid to the railroad companies, in twenty-one years, a sum almost equal to the assessed value of all taxable property for the year 1880. Add to this the immense sum of interest we have paid to creditors, the extortions of trusts and combines, and is it any wonder that we are struggling in the throes of a debt of \$32,000,000,000? Never before in the history of the world were such fabulous fortunes made in such incredibly short time. No country possesses so many millionaires, and at the rate we are traveling, in a few years no country will possess so many paupers.

The following, from the *New York Recorder*, shows an approximate distribution of our wealth:

"According to figures from reliable sources, there were in the United States, in 1891, 13,000,000 families, with an assessed wealth of \$62,082,000,000, of which there were:

70 families worth.....	\$2,625,000,000
90 families worth.....	1,025,000,000
100 families worth.....	1,440,000,000
135 families worth.....	968,000,000
360 families worth.....	1,650,000,000
1,753 families worth.....	4,036,000,000
6,000 families worth.....	7,500,000,000
7,000 families worth.....	4,550,000,000
11,000 families worth.....	4,125,000,000
14,000 families worth.....	3,220,000,000
16,500 families worth.....	2,722,000,000
30,000 families worth.....	5,000,000,000
75,000 families worth.....	4,500,000,000
200,000 families worth.....	4,000,000,000
1,000,000 families worth.....	3,500,000,000
2,000,000 families worth.....	4,000,000,000
9,620,000 families worth.....	7,215,000,000

“These figures show that 40,000 persons own over one-half of the wealth of the United States, while one-sixtieth part of our people own over two-thirds of the entire wealth of the country; and that 250,000 persons own 75 per cent. of the United States. These tables also show that three-fourths of our families are not worth over \$600 to the family, while one-fourth are worth over \$14,000 to the family, It will also appear by a small calculation that one-half of these families are worth less than \$200 to the family.

“Again, while 25,000 families have an aggregate yearly income of not less than \$2,500,000,000 per year, or \$100,000 as an average, there are, according to Edward Atkinson’s estimate, not less than 11,000,000 families (estimated at five to the family) who have an income which does not exceed \$450 per year, and hardly averages \$350. Atkinson further estimates that only 700,000 families have an income between \$450 and \$1,000 a year, and only 300,000 have more than \$1,000 yearly income. Take his highest figures and you will have:

Families.	Av. Income.	Total.
11,000,000	\$ 350	\$3,850,000,000
700,000	700	490,000,000
300,000	5,000	1,500,000,000
25,000	100,000	2,500,000,000

Which proves that about 325,000 families have as much income as 11,700,000 families, and that it is almost impossible for the poorer classes to accumulate any wealth whatever.”

A recent number of the *Quarterly Journal of Economics* gives the following statistics of the number of laborers out of

employment in some of our prominent cities: Boston, 10,000; Worcester, 7,000; New Haven, 5,000; Providence, 9,000; New York, 100,000; Utica, 16,000; Newark, 19,000; Philadelphia, 75,000; Baltimore, 10,000; Wheeling, 3,000; Cincinnati, 6,000; Cleveland, 8,000; Columbus, 4,000; Indianapolis, 5,000; Chicago, 200,000; Detroit, 25,000; Milwaukee, 20,000; Grand Rapids, 6,000; Minneapolis, 6,000; St. Louis, 80,000; St. Joseph, 2,000; Omaha, 2,000; Butte City, Mon., 5,000; San Francisco, 15,000; Total, 638,000.

This is only a partial list. It is compiled from reports of mayors, chiefs of police and charity organizations, and is, no doubt, approximately correct. It is safe to assume that 2,000,000 men and women are out of employment, which means hunger and privation for at least three times that many more who are dependent on them. Well may every true American exclaim: "Whither are we drifting?" Wealth concentrating in the hands of a few, and the people losing their lands and homes!

The Remedy.

Daniel Webster, the great constitutional lawyer, said:

"The freest government cannot long endure where the tendency of the law is to create a rapid accumulation of property in the hands of the few, and to render the masses of the people poorer and dependent."

We are the victims of class legislation. We are a nation of debt slaves. There is no time to stop and quibble and quarrel over the question as to who is responsible for the class legislation that has made such unequal distribution of wealth possible. The remedy offered by the People's Party is to reverse the legislation of the past, and throw out safeguards to protect the people of the future. The people must be aided to pay their debts or forever remain in industrial or debt slavery. And, if we follow the teachings of Jefferson, it must be done quickly, as we have no right to entail this debt on the future generation. Speaking directly upon this question, vol. 3, page 103, Jefferson's Works, he says:

"The question whether one generation of men has a right to bind another seems never to have been started, yet it is a question of such consequence as not only to merit decision, but place, among the fundamental principles of every government. That no such obligation can be transmitted I think capable of proof."

What, then, is the remedy proposed by the People's Party?

To return at once to the fundamental principles of government.

Abolish banks of issue and let the government issue its own money.

Wipe out all monopolies, one after another, so that they can make no further exactions from the people.

When this is done and the people have an opportunity they will soon discharge their indebtedness.

We have already pointed out the evils resulting from banks of issue. We have it from the best authority that the recent panic was precipitated by the banks. The silver convention held at Chicago, composed of men of all political parties, declared:

"The distrust is not of the government or its money, but of the banks, which have, as we believe, precipitated the present panic on the country in an ill-advised effort to control the action of Congress on the silver question and the issue of bonds."

Col. Robert G. Ingersoll said:

"This is a bankers' panic. The bankers have been predicting a panic for years and have done all they could to fulfill their prediction. They tell us that the Sherman law has done all the damage, and they point to the present price of silver as one of the results of the Sherman law. Certainly silver did not fall in price because the Sherman bill made a market for 4,500,000 ounces a month. You cannot put down prices by buying. Silver has fallen because it has been demonetized. The value of a thing depends somewhat upon its uses, and the main use of silver has been destroyed. Suppose gold had been demonetized instead of silver, what would gold be worth?"

Senator Hill, of New York, arraigned the bankers of the East in language as follows:

"With ghoulish glee they welcomed every bank failure, especially in the silver States, little dreaming that such failures would soon occur at their own doors. They encouraged the hoarding of money; they inaugurated the policy of refusing loans to the people, even upon the best security; they circulated false petitions, passed absurd and alarming resolutions; predicted the direst disaster, attacked the credit of the government, sought to exact a premium upon currency, and attempted in every way to spread distrust broadcast throughout the land. The best financial system in the world could not stand such an organized and vicious attack upon it. These disturbers—these promoters of the public peril—represent largely the creditor class, the men who desire to appreciate the gold dollar in order to subserve their own selfish interests, men who revel in hard times, men who drive harsh bargains with their fellow-men in periods of financial distress, and men

wholly unfamiliar with the true principles of monetary science.”

Again we say, abolish the banks of issue.

Debts are payable only in money. Money can only be obtained by parting with labor or the products of labor, unless we steal it, or have it given to us.

When money is scarce it takes more labor or more property to obtain it. Hence the great crime of the demonetization of silver. It has practically doubled the burden of debt. Prices have been going down and will continue to go down unless this conspiracy to enslave labor is broken.

Let the government remonetize silver at once. Let that be supplemented by an issue of paper money sufficient to increase the volume to \$50 per capita. We are told that paper money issued by the government would be worthless unless based on gold, or at least on gold and silver. Again we resort to Thomas Jefferson for our authority. In his letter to John W. Epps, dated June 24, 1813, which can be found in Jefferson's Works, vol. 6, pages 139, 140, Mr. Jefferson says:

“And so the nation may continue to issue its bills as far as its wants require and the limits of its circulation will admit. Those limits understood to extend with us at present to \$200,000,000, a greater sum than would be necessary for any war. But this, the only resource which the government could command with certainty, the States have, unfortunately, fooled away, nay, corruptly alienated to swindlers and shavers, under the cover of private banks. Say, too, as an additional evil, that the disposable funds of individuals to this great amount have thus been withdrawn from improvement and useful enterprise, and employed in the useless, usurious and demoralizing practices of bank directors and their accomplices. In the war of 1755 our State availed itself of this fund by issuing a paper money bottomed on a specific tax for its redemption, and to insure its credit, bearing an interest of five per cent. Within a very short time not a bill of this emission was to be found in circulation. It was locked up in the chests of executors, guardians, widows, farmers, etc. We then issued bills bottomed on a redeeming tax, but bearing no interest. These were readily received, never depreciated a single farthing.”

Again, in a letter dated September 11, 1813, he says:

“Bank paper must be suppressed, and the circulating medium must be restored to the nation to whom it belongs. It is the only fund on which they can rely for loans: it is the only recourse that can never fail them, and it is an abundant one for every necessary purpose. Treasury bills bottomed on taxes, as may be found necessary, thrown into circulation, will take the place of so much gold and silver.”

John C. Calhoun, one of the most brilliant statesmen of the South, in a speech in the United States Senate, said:

"Bank paper is cheap to those who make it, but very dear to those who use it. On the other hand, national currency, while it would greatly facilitate its financial operations, would cost next to nothing, but would give to every branch of industry great advantages. And now I undertake to affirm, without the fear that I can be answered, that a paper issued by the government with a single promise to receive it for dues, would form a perfect paper circulation, which could not be abused by the government; that it would be as uniform in value as metals, and I shall be able to prove that it is within the Constitution and power of Congress to provide such a paper, according to the most rigid rule of construing the Constitution.

If anything was wanting to prove that the government had the power to issue paper money when money was needed, the following decision of the United States Supreme Court is sufficient. The court says:

"There are times when the exigencies of the state rightly absorb all subordinate considerations of private interest, convenience, or feeling; and at such times the temporary though compulsory acceptance by a private individual of the government credit, in lieu of the debtor's obligation to pay, is one of the slightest forms in which the necessary burdens of society can be sustained.

"When the ordinary currency disappears, as it often does in time of war, *when business begins to stagnate and general bankruptcy is imminent, then the government must have power at the same time to renovate its own resources and to revive the drooping energies of the nation BY SUPPLYING IT WITH A CIRCULATING MEDIUM.* What that medium shall be, what its character and qualities, will depend upon the greatness of the exigency and the degree of promptitude which it demands. *THESE ARE LEGISLATIVE QUESTIONS.* The heart of the nation must not be crushed out. *The people must be aided to pay their debts and meet their obligations.* The debtor interest of the country represents its bone and sinew, and must be encouraged to pursue its avocations. If relief were not afforded, universal bankruptcy would ensue, and industry would be stopped, and government would be paralyzed in the paralysis of the people."—*12 Wallace, 464, 465.*

Now with regard to the \$50 per capita. In Jefferson's letter to Mr. Epps, June 24, 1813, he stated that the limit of circulation for treasury notes bottomed on taxes was conceded to be \$200,000,000. At that time the population of the United

States was eight millions. We have now eight times the population and might with the same degree of safety issue eight times as many treasury notes bottomed on taxes, which would amount to \$1,600,000,000 in addition to our present currency. This would make in all about \$3,300,000,000 of currency, or a fraction over \$50 per capita.

We are not left to conjecture what the effects would be. As soon as government assumes absolute control of the currency confidence will be restored, money will come from its hiding-place and seek investment in industrial enterprises; the idle will be given employment; prices will advance and people be given an opportunity to pay their debts and become free. We have already indicated how this money may be placed in circulation. Loan it direct to the people; buy or build railroads, and pay it out in the ordinary expenses of the government. Loans to the people on real estate can be made either through the system of postal savings banks which our platform calls for, or by the general government loaning it to the States and the States loaning it to individuals under strict and absolutely safe regulations. We are asked, how would this help the man who has no real estate? We answer by asking how does the free coinage of silver help the man who has no silver? It helps every man by increasing the price of the products of his labor and making it easier for him to pay his debts. He is benefited in the general prosperity which would follow a full and sufficient circulating medium.

"If the whole money in circulation was doubled, prices would double. If it was only increased one-fourth, prices would rise one-fourth."

Amasa Walker, in his "Science of Wealth," page 221, says:

"Other things equal, the general average of prices is determined by the quantity of currency in circulation, and prices advance or recede as that is increased or diminished. The general price of all objects of value will ever depend upon the quantity of currency existing in the country in which they are produced and sold. This is an economic law as certain as any of the laws of nature."

Ricardo says:

"There can exist no depreciation in money but from excess; however debased a coinage may become, it will preserve its mint value; that is to say, it will pass in circulation for the (so-called) intrinsic value of the bullion which it ought to contain, provided it be not in too great abundance."

David Hume, the historian, says:

"It is not difficult to perceive that it is the total quantity of the money in circulation in any country which determines what portion of that quantity shall exchange for a certain

portion of the goods or commodities of that country. It is the proportion between the circulating money and the commodities in the market which determines the price."

We might quote hundreds of authorities in support of our position, but we deem it unnecessary. It will be readily seen that the power that controls the money of the country controls prices. It is for this reason that the banks have sought control of the currency. The contest is between the people and the banks. With \$32,000,000,000 of indebtedness which has been forced upon the people by a decreasing volume of money in circulation, with silver demonetized, and gold made the only medium of payment, with the banks owning the bonds, notes and mortgages, and the gold, the condition of our people is hopeless, except through the way indicated by the People's Party. On every hand there is work to be done. New resources are to be developed. Millions of dollars of wealth await the vitalizing hand of industry. But there is no money to infuse life into the arteries of industry. Those who have money refuse to invest it when all kinds of property is falling in value. The bankers have got a corner on money. They seek to increase its value by making it scarce. Let the government begin the issue of money, and it will break this corner. Instead of that the government has assisted the bankers in their conspiracy by striking down silver and making money scarcer. The majority of the representatives in Congress, of both political parties, have helped to do this thing. It is a question for the people to settle, whether they will longer support political parties who foster a system of debt slavery which the money power seeks to make perpetual. We are told that if you raise the prices on what you have to sell it will not benefit you, because you will have to pay proportionately higher prices for what you buy. This is only true of those who expect to spend as much as they make—who have no surplus. But to the industrious man who seeks to lay by something for a rainy day, or who is in debt, it is quite different. Some time since a Mr. W. R. Miller had published the contents of a leaf taken from the ledger of Burns & Marshall, a firm that did business in the town of Smithville, Ark., in 1866. It was published in the *Commonwealth*, and the high price commented on. Here is the clipping from the *Commonwealth*:

"W. R. Miller left us a leaf taken from an old ledger of Burns & Marshall, who did business in Smithville in 1866. From it we take the following items as charged on Christmas day of that year: 1 lb. tobacco, \$1; 1 lb. sugar, 25 cents; 1 quart coal oil, 40 cents; 3 yards calico at 35 cents a yard, \$1.05; 1 quart whisky, \$1.25; bottle to put it in, 15 cents; 1 lb. gun-

powder, \$1; 1 lb. shot, 30 cents; 1 yard bed ticking, 80 cents; 1 paper pins, 20 cents; 2 yards gingham, \$1.50; 1 pair suspenders, \$1.25; 1 box collars, 40 cents. Compare the prices of what people had to pay for goods in the palmy days of '66 with the price for what you have to pay our merchants of the present day, and there is quite a difference. Mr. Miller keeps the page as a relic."

Now let us take these figures as a basis for our calculation, and make a comparison between then and now.

PRICES 1866.

2 lb. tobacco, \$1 lb.....	\$ 2 00
10 lb. sugar, 25c. lb.....	2 50
1 gal. coal oil.....	1 60
10 yards calico, 35c. yard.....	3 50
1 gal. whisky.....	5 00
1 jug.....	50
1 lb. gunpowder.....	1 00
3 lb. shot, 30c. lb.....	90
8 yards bed ticking, 80c. yard.....	6 40
1 paper pins.....	20
10 yards gingham, 75c. yard.....	7 50
1 pair suspenders.....	1 25
1 box paper collars.....	40
<hr/>	
Total.....	\$ 32 95
Cash.....	\$177 05
<hr/>	
Total.....	\$210 00

CREDIT.

1 bale cotton, 500 lb., 42c. lb.....	\$210 00
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We want W. R. Miller to examine these figures well. In 1866 the highest for cotton was 52 cents, and the lowest 32 cents; average, 42 cents. The goods named are far above the customary prices for that year. Yet the farmer had \$177.25 to carry home with him. Now, let us look at present prices of the same articles in this year of 1895.

PRICES 1895.

2 lbs. tobacco, 50c. lb.....	\$ 1 00
10 lbs. sugar.....	50
1 gal. coal oil.....	10
10 yds. calico.....	80
1 gal. whisky and jug.....	3 00
1 lb. gunpowder.....	40

3 lbs. shot.....	25
8 yds. ticking 25c. yard.....	2 00
1 paper pins.....	05
10 yds. gingham, 10c. yard.....	1 00
1 pair suspenders.....	25
1 box paper collars.....	10
	<hr/>
Total.....	\$ 9 45
Cash.....	15 55
	<hr/>
Total.....	\$ 25 00

CREDIT.

1 bale cotton, 500 lbs. 5c. lb.....\$ 25 00

Leaving the farmer \$15 55 to take home with him in 1894, against \$177.05 in 1866, a difference in favor of 1866 of \$161.50, and this \$161.50 in greenbacks paid \$161.50 of debt just the same as it does to-day.

The study of such prices as quoted by W. R. Miller is what makes Populists. If non-office-holding Democrats and Republicans will study plain facts and compare the times now with those of 1866 they will all be Populists, and the Democratic and Republican parties will be reduced at once to only the office-holders.

Having assumed control of the currency, and adopted a system of finance in the interests of the great masses, let the government then proceed to throw out the safeguards indicated in our platform for the future protection of the rights of the people.

Let it abolish every trust in the land.

Let it institute postal savings banks.

Let it pass a law providing a graduated income tax that will forever in the future prevent the accumulation of such immense fortunes. Let it provide also a graduated tax on lands, over and above what is legitimately used by the owner, so that there will be no fortunes made in land speculation while thousands go without a home.

Let it gradually buy up the railroads, telegraphs and telephones, at prices commensurate with the present cost of construction, and if the companies do not want to sell at those figures, then let the government begin the construction of lines where most needed. The government ownership of one-fourth the railroads in the United States would result in a great reduction of rates. Having given you our remedy, we

will now proceed to discuss some of the objections urged against our party and its measures.

“THERE CAN BE BUT TWO PARTIES.”

We are told that there can be but two parties. We are not going to deny the truth of this assertion, but we do insist on being one of the two, and from the way in which the leaders of the two old parties are voting together in Congress, it is now plain to everybody that they are going to marry and will constitute the other party.

Nothing is plainer than that there can be only two sides to a question, but it does not follow that two parties may not take the same side. The People's Party is on one side of the great questions of the day. The two old parties are on the other. It is our honest opinion that the wedding of these two parties should take place soon if they would save themselves from disgrace. It is strongly suspected that they have been sleeping together in the same political bed. We see no reason for a postponement of the marriage. They are both of the same political faith. Grover Cleveland stands ready to give the bride away, and John Sherman is willing to perform the ceremony. Let the marriage take place and the offspring be legitimized.

FIAT MONEY.

We are charged with wanting to flood the country with fiat money. If the same amount of money per capita we had after the war, and which Thomas Jefferson concedes as proper, in his letter to Mr. Epps, is “flooding the country,” we plead guilty to the charge.

We plead guilty to the charge of “fiat.” We will agree to eat any kind of a dollar which may be brought to us that is not fiat. The “fiat fools” are those who don't know that money that is not fiat is not money at all. A silver dollar is worth 100 cents, and will buy as much as a gold dollar because it is fiat. Take the fiat of the law from it and it is worth only 48 cents.

Occasionally we are told that the government can't issue paper money unless it has the gold and silver back of it. This is the parrot-like repetition of what the bankers say. That is what they said during the last war. But the government did issue over seventeen hundred millions of it. If the government has power to issue it to pay men to shoot other men down, why has it not power to issue it to pay men who are idle and suffering for the necessities of life, to construct public works? If it can be issued for the purpose of destroying

life, why can it not be issued to preserve life? If it can issue it for the purpose of putting down chattel slavery, why can it not issue it for the purpose of wiping out debt slavery? The hypocritical cry that it can't do so has its origin in hell.

BUYING THE RAILROADS.

It is amusing to see our opponents construct straw houses, and then proceed to demolish them. It is like the action of school-boys madly charging a mullen stock, except that the mullen stock is a more tangible object than our opponents usually conjure up in their imagination.

These elegant gentlemen, the politicians, who are so devoted to the dear people's interests as to be willing to make the great sacrifice of accepting office at salaries ranging from \$500 to \$5,000 a year, take particular delight in supposing. In their fertile imaginations they suppose a plan, charge it up to the Populists, and then jump onto it and demolish it. Of course they take great care to suppose a plan that is weak enough in its structure for them to demolish. Some of these conjurations are as silly as the supposition that we are in favor of shoeing horses' tails.

The People's Party declares in favor of government ownership of railroads and telegraph lines. But nowhere in its platform does it indicate a plan to secure this end. If our opponents are disposed to act fair why not concede that we favor some practical plan for carrying out our declaration? Why charge that we are in favor of purchasing all the railroads at once at their capitalized value, including the watered stock, and issuing bonds for the amount and taxing the people to pay the bonds? No Populist has ever proposed any such thing. There is no necessity for doing any such thing. The railroads could be bought and paid for within twenty years out of their net earnings and savings without taxing the people one cent, or increasing the present rates of freight and passenger tariff. But the people are already taxed on every dollar of capital represented by railroad bonds and stocks to the extent of ten thousand million dollars. They are taxed in the freight and passenger rates which they have to pay the railroad companies. What the People's Party desires is that the money which now goes to pay dividends on stock and interest on bonds, shall go towards purchasing the railroads and eventually owning and operating them at greatly reduced rates. In an able and well written article in the *Arena*, Mr. C. Wood Davis, a practical railroad man and reliable statistician, figures the actual savings by government ownership of railroads as follows:

Savings from consolidation of depots and staffs....	\$ 20,000,000
Savings from exclusive use of shortest route.....	25,000,000
Savings in attorneys' salaries and legal expenses..	12,000,000
Savings from abrogation of the pass evil.....	30,000,000
Savings from abrogation of commission system....	20,000,000
Savings from dispensing with high-priced officers and staffs	4,000,000
Savings by disbanding traffic associations.....	4,000,000
Savings by dispensing with presidents, etc.....	25,000,000
Savings by abolishing (all but local) officers, solic- itors, etc.....	15,000,000
Savings of five-sevenths of advertising accounts...	5,000,000
Total	\$160,000,000
In addition to this there would be saved:	
The annual political corruption fund	\$ 30,000,000
Secret rebates to directors, etc., who compose vari- ous trusts and combinations.....	50,000,000
All dividends and surplus.....	134,000,000
Total	\$214,000,000
Add Mr. Davis' figures.....	160,000,000
Total.....	\$374,000,000

Suppose that the government should purchase the railroads at their actual cost and issue bonds bearing two per cent interest per annum. The best authorities concede that at least one-half of the present capitalization of the roads is water. But we will allow them to be valued at \$6,000,000,000. The annual interest charge on this sum for the first year would be \$120,000,000. We have already figured the net savings and dividends from the roads at \$374,000,000. Deduct the interest on bonds from this amount, and it leaves \$254,000,000 to go into a sinking fund to pay the bonded indebtedness. The interest would grow less each year as the principal was being paid, and within twenty years the entire debt will have been discharged and not a dollar of paper money issued for the purpose, and not a cent in taxes collected from the people, other than that which they now pay and which goes into the pockets of rich railroad magnates. The question is not whether the people will assume the burden of debt—it is already on them—but whether they will make provisions to get from under it, and in the future lower the rates of transportation to less than half what they are now.

It is claimed that if the government was to assume the ownership and operation of the railroads it would create

such an army of men dependent on political patronage and the caprices of the party in power, that it would constitute a menacing danger to our liberties and a fruitful source of political corruption. Under our present defective system of civil service, where the principle laid down is "to the victor belong the spoils," and it is a wild rush for the hog-trough to see who will get the most swill, I admit the weight of this objection. But the People's Party has provided for this. It recommends in its platform an amendment to the Constitution by which all persons engaged in the public service shall be placed under civil service regulations of the most rigid character. It might be well to adopt the regulations employed in the regular army, permitting no one to vote or to be a delegate in a political convention while thus in the employ of the government. So far as corruption is concerned no sane man believes there would be one-fourth as much as there is now. It is an open secret that railroad corporations control courts, conventions and national and State legislatures. Well might Senator Peffer make use of the following language:

"The railroad interest is a powerful one. It extends throughout the entire country. There is hardly a county in the Union that has not one or more railway lines running through it, and there is not a mile of that vast system that is not represented locally by at least one of the best lawyers to be found in the region.

"If all the lawyers who are in the employ or retained in the interest of the great railway systems in the country were marshaled together they would form an army as large as Gen. Jackson had at New Orleans, larger than Gen. Scott had at Lundy's Lane. If you put together the different armies made up of lawyers representing the different great railway systems of the country you will find that the influence of the railway system reaches out into every county in the United States."

In a recent investigation of the affairs of the Santa Fe railroad, it was found that seven million dollars was charged as having been paid back in rebates to shippers, but two millions of it was so unsatisfactorily accounted for that it was no doubt stolen by the officers of the road. It seems to have become a well-settled fact that the railroad companies violate the laws with impunity, and their influence has become so powerful that they are beyond control through the ordinary course of law. That they have been the most fruitful source of political corruption, let the history of the land grants, subsidies of bonds, control of courts and legislatures testify. Indeed, this is one of the very best reasons why the government

should own and operate the roads as it does the postal system.

THE SUB-TREASURY.

It is charged that we favor the sub-treasury system as proposed by the Alliance, and our opponents tax their ingenuity to build straw men to tear down. The declaration of our platform is plain on this question. It says that we favor the distribution of money through the sub-treasury, or a better system. Our opponents think there is a better system, and I think so, too. In fact, I believe that nearly all our party think so. I believe that the Omaha convention thought so when it put a declaration in the platform favoring government postal banks. We had made rapid strides, educating the people along the sub-treasury lines. It was thought best by some of our people not to drop it entirely at that time. The principle involved was all right. The details of the plan were never settled upon except by Democratic orators and Dr. Macune, who tried to sell the People's Party in 1892, but failed to deliver the goods. It is generally conceded now that the only utility about the sub-treasury plan is to furnish Democratic orators a theme to talk about—something they know nothing of—in order to give the people a rest on the tariff racket.



“ABOVE all things good policy is to be used, that the treasures and moneys of the state be not gathered into a few hands; for, otherwise, a state may have great stock and yet starve. And money is like muck, not good except spread. This is done by suppressing, or at least keeping a strait hand upon the devouring trade of usury, engrossing, great pasturages and the like.”—*Bacon*.

The wise of all ages have ever put the same estimate upon the injustice and the danger of centralizing the wealth and resources of a nation in the hands of a few of its citizens. Bacon saw it three hundred years ago, the thoughtful see it now. It is more unjust and dangerous now than in Bacon's time, for the degree and rapidity of centralization is greater now than then.



“TRUTH crushed to earth shall rise again.
The eternal years of God are hers;
But error, wounded, writhes with pain
And dies among his worshipers.”—*Byron*.

“In this great contest the brains and muscles of the South and West must unite, for self-defense, against the cunning and aggression of the Northeastern part of the Union.”

—IGNATIUS DONNELLY, 1874.

SECTIONALISM IN AMERICAN POLITICS.

SECTIONALISM first made its appearance in American politics in 1808, when Pinckney was defeated by Madison, the Federalist Party losing every part of the country except New England. The civil war arrayed the North against the South, and every reader of recent history knows how the “bloody shirt” was waved to foster sectional feeling and to divert the minds of the voters from really important issues. The People’s Party has broken up the “solid South,” and veterans who wore the gray are now fraternizing everywhere with those who wore the blue. The sectionalism in American politics to-day runs along other lines than those of war sentiment. It is now the Northeast against the rest of the Union, just as it was New England against the rest of the Union in the days of Madison.

Hon. W. J. Bryan, in a newspaper article dated February 16, 1895, calls attention to a speech made by ex-Speaker Reed in Boston, in 1893, quoting the following extract:

“And let me tell you right here that there is no State so deeply interested [in protection] as the State of Massachusetts. If it were not for its condition I should say, ‘Let these men try it. Let us have the lesson of free trade burned into the quick, and then let us have peace.’ [Applause.] But when Massachusetts sits around to mourn her destroyed factories, her ruined industries, her closed machine shops, she sits around to mourn for eternity; for if they are once destroyed the omnivorous West will do the manufacturing for the country. [Applause.] You have the start; you have the power; you have the prestige. You can keep it or you can throw it away, and the only way in which you can keep it is by making the voice of the majority of your people to be heard, and to be heard across the country. [Applause.]”

“I do not mention this,” says Mr. Bryan, “as vindicating the cause of the new sectionalism, for I believe the tariff ques-

tion to be in the process of settlement, but because so eminent an authority as Mr. Reed here made an appeal to the people of Massachusetts to support a certain revenue policy, first, because Massachusetts was more interested in it than any other State, and, second, because a reversal of the policy would transfer the manufactures of New England to the omnivorous West.

“The old sectionalism was founded upon slavery, and as the years went on the conflict became more bitter until it resulted in the attempt at separation. It only requires a glance at recent legislation to show the difference which is becoming more and more noticeable between the opinions of those living in the Northeast and the opinions of those who live in the South and West, but the remedy will be a peaceable one. The geographical division is not as clearly defined as the Mason and Dixon line, but it is being made more distinct by each vote taken. The slavery issue, as feeling grew more intense, entered into nearly every public question, because every important question would to a greater or less extent affect slavery. The money question is the great question which divides the Northeast from the rest of the country, and there is scarcely a public question of any importance which the money question does not creep into or fasten upon in some way. The Northeastern States believe in a single gold standard; the South and West believe in bimetallism. This division is as natural as the former division between the North and the South. The slave-holder of a generation ago was as kind and generous and hospitable as the New Englander, but he had inherited slaves as property or purchased them, and he felt that any attempt to take them away from him was a violation of his rights. That was perfectly natural. He also believed that the slave was better off as a chattel than he would be as a free man. The people who lived in the North did not own slaves, and therefore to them the abolition of slavery brought no direct pecuniary loss, and it was much easier for them to advocate emancipation.

“The gold standard appreciates the value of money, and since the Northeastern States own a great deal of capital and

loan money to other parts of the country they secure what might be called an unearned increment. To say that they enjoy this unearned increment is to say that they are human, and it is not strange that they are able to convince themselves that what is good for them must be good for the rest of the people. The people in the South and West are, relatively speaking, debtors, and as the purchasing power of the dollar increases they feel their pecuniary burdens becoming heavier. To say that they do not enjoy contributing to the unearned increment of their Eastern brethren is to say that they are also human. Before the war there were many in the South who owned slaves and yet favored emancipation, while there were many in the North who defended the institution of slavery, although not slave-owners themselves. So it is to-day. Scattered throughout the East will be found many who oppose the gold standard, some on the ground that it is morally wrong to change the contract between debtor and creditor, and others on the ground that the East will find that its share of the general prosperity to be secured by the restoration of bimetallism will be greater than its present share of the limited prosperity possible under a gold standard. There are also to be found throughout the South and West those who are in favor of the gold standard, some because they are theoretically opposed to bimetallism, and others because they are connected with Eastern financial concerns, but it is as true to-day as it was forty years ago that opinion and interest are generally found on the same side of the question.

"A great deal is being said now about the selection of a Western man for President, and the reason for this talk is found in the fact that a President with the veto power can prevent new legislation or the repeal of existing laws if supported by more than one-third of either house. For instance, Mr. Cleveland was able to prevent the coining of the seigniorage, although a considerable majority in both houses voted for the bill. Mr. Cleveland lives in New York, and naturally imbibes the sentiment prevalent in the metropolis, but see what an advantage the Northeast secures when it controls the veto power. That the sectional spirit is growing cannot be

denied, although men will differ as to the remedy for it. Our Northeastern brethren will say that there is a simple cure—namely, that the South and West should quit finding fault with Eastern ideas, while the remedy proposed on the other side is that the East should be satisfied with equal opportunities and equal rights and quit trying to devour everything in sight. The West and the South are strong enough in numbers to elect a President and control both houses of Congress; when they do so they will restore the gold and silver coinage of the Constitution and remedy what they regard as the abuses of government. This union is one of the certainties of the future; its exact date only is uncertain.”

In that excellent work, “Seedtime and Harvest,” Mr. S. S. King has collated some startling facts as to the accumulation of wealth in the Northeastern States. The computation is from the official census reports of 1890 and is therefore beyond question.

The State of Massachusetts gained more wealth in the decade 1880-90 than the States of Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia and North Carolina combined.

Pennsylvania gained more wealth in the same period than Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Kansas, Kentucky and Florida combined.

New York gained more wealth than Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Kansas, Kentucky, Florida, Tennessee, Virginia and West Virginia combined.

Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Kansas, Kentucky, Florida, Tennessee, Virginia, West Virginia, Missouri, Arkansas, South Carolina, Delaware, Maryland and Ohio, twenty-one *producing* States forming the great body of the Union, a wonderland of diversified resources, with six times as much land and twice as many people to cultivate it, were able to accumulate one-half as much wealth in the period named as the nine *manufacturing, bondholding, banking, money-lending and*

railroad-owning States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, Pennsylvania and New Jersey.

The great producing body of the Union is comprised of these twenty-one States. Texas was not included because its wealth-gain was derived from ranch stock rather than agriculture. This is not saying that Texas is not a great agricultural State. But in addition to its agriculture it had had the other great industry of stock-raising on wild lands. Vast fortunes have been made from that industry, and these vast fortunes give Texas a great wealth-gain. The gain is not from agriculture, as Texas people will freely admit. The three Northern pine-tree States, Minnesota, Wisconsin and Michigan were not included in these comparisons, because their large wealth-gains were derived from protected lumber monopolies rather than agriculture, as the farmers of those States well know. The new States and territories to the westward were not considered, because too young to furnish valuable lessons. The purpose was to contrast those States engaged in agriculture with those engaged in manufactures, transportation and banking.

It was largely of the States named above as the producing States that Senator Ingalls wrote (*Lippincott's Magazine*, June, 1892): "Sparsely inhabited, with rude and unscientific methods, their resources hardly touched, the States of the Mississippi Valley last year produced more than three-quarters of the sugar, coal, corn, iron, oats, wheat, cotton, tobacco, lead, hay, lumber, wool, pork, beef, horses and mules of the entire country, together with a large fraction of its gold and silver. Their internal commerce is already greater than all the foreign commerce of the combined nations of the earth."

These constant drains of wealth from the producing States into the nine States which may be called the wealth district are the cause of the new sectionalism in American politics. The annexed diagram is taken from Mr. King's book. It shows how the wealth of the nation converges largely into the nine Northeastern States and into the three Northern States which form the lumber district. Texas and the States

and territories to the westward, and Minnesota, Nebraska and Kansas, are not shown in the illustration. Some are too young to be of any service in these comparisons, the population of others is increased so largely, so much land has changed from government to individual ownership, some are so remote



from the body of the nation, and in others the causes operating are so different from the causes operating in the Mississippi Valley, that to include them in the illustration would be manifestly unfair and tend to obscure rather than enlighten; but of those portions of the country shown in the chart Mr. King clearly establishes the following facts:

The lumber district (the three pine-tree States of Minnesota, Wisconsin and Michigan), with seven per cent. of the entire population of the nation, held twelve per cent. of the wealth-gain of the nation from 1880 to 1890.

The wealth district (the nine North Atlantic States named) with twenty-nine per cent. of the entire population of

the nation, held forty-one per cent of the total wealth-gain.

The produce district (the twenty-one States mentioned forming the body of the nation), with fifty-six per cent. of the entire population, kept only twenty-three per cent. of the total wealth-gain.

Thus is seen the exceedingly unequal distribution of the wealth gain considered with reference to the geographical divisions indicated. This produce district, the twenty-one States, can feed and clothe the world. Its fifty-six per cent of the entire population of the nation, living on fruitful soil, should accumulate at least its proportionate percentage of the wealth-gain, instead of only twenty-three per cent. The twenty-nine per cent. of the entire population, living among the worn-out hills of New England, should not accumulate more than their proportionate percentage of wealth, and when that percentage goes up to forty-one, something is wrong somewhere. It behooves the patriot to seek to discover where the wrong is. It is not in the figures. They are official. Those relating to population are from Official Census Bulletin No. 16, and those relating to wealth from No. 104.



“TRUTH forever on the scaffold,
Wrong forever on the throne.
But the scaffold sways the future,
And behind the dim unknown
Standeth God within the shadow,
Keeping watch above his own.”—*Holmes.*



“AND how, like forts, to which beleaguers win
Unhoped-for entrance through some friend within,
One clear idea, wakened in the breast
By memory's magic, lets in all the rest.”—*Moore.*



“God is a worker. He has thickly strewn
Infinity with grandeur. God is love;
He shall yet wipe Creation's tears,
And all the world shall summer in His smile.”

“Property, or the dominion of man over external objects, has its origin from the Creator, as his gift to mankind.”—BLACKSTONE (*Dunlap’s Manual of the General Principles of Law*).

THE LAWS OF PROPERTY.

A MEMORABLE occasion in the history of American politics was on the evening of October 6, 1894, when the venerable Lyman Trumbull addressed a vast audience at Central Music Hall, Chicago. What he said about the laws of property is now of special interest to reformers and students of political economy:

It is chiefly the laws of property which have enabled the few to accumulate vast wealth while the masses live in poverty. For many generations our laws have been framed with a view to the claims of property rather than the rights of man. For ages the money power has controlled legislation the world over, and, I am sorry to say, has exercised a controlling influence in our own land for many years. In the language of the Declaration of Independence: “All men are created equal and endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness.” If man has an inalienable right to life, then he has a right to the means which sustain life, and of which he cannot be justly deprived by laws which permit one man, or set of men, to so absorb the means of life as not to leave sufficient to sustain the lives of all. If man has an inalienable right to liberty, then he cannot be justly deprived of liberty by another who assumes the right at his mere discretion to abridge it. If man has an inalienable right to the pursuit of happiness, then he cannot be justly deprived of that right by laws interposed in the way of its pursuit.

Do such laws exist, and if so, how came they into existence?

In Great Britain, whence we have derived most of our laws of property, the policy is to build up great estates. Hence, by the laws of that country, land descends to the eldest son, to the exclusion of the other children. The effect of this is to limit the ownership of land to a few persons. Thirty-four persons in that country own six million two hundred and eleven thousand acres of land. The Duke of Sutherland is said to own one million three hundred and fifty-eight

thousand acres, and a few other dukes and earls own a great proportion of the land of the United Kingdom. What has brought about this wide difference in the ownership of land? Certainly the few who own the millions of acres, from which they derive revenue, in some instances of more than five hundred thousand dollars annually, in rentals, have not earned these vast estates by their own industry, but on the contrary it is by force of statutory enactments that these vast estates have been accumulated and perpetuated in few hands.

In this country we have abolished the laws of primogeniture, by which the eldest son inherited the landed estate of his ancestor, but here vast estates are being rapidly accumulated in few hands, and this is especially true during and since the war of the rebellion. In 1860 there were few millionaires and few large fortunes in this country, but since then a rich class has sprung up, so that in 1890, according to reliable statistics, ten per cent. of the people own as much wealth as the other ninety per cent. In 1890 there were 12,690,182 families in the United States, and according to Geo. K. Holmes, in the *Political Science Quarterly*, 4,047 of these possessed about seven-tenths as much as do 11,593,887 families. Just think of it. One family possessing the wealth of 2,000 families the country over! In the city of New York alone, there are said to be five men whose aggregated wealth exceeds \$500,000,000. How many hundred millions are held by various wealthy corporations, coal and oil syndicates and other trusts, I am unable to state. In each of the cities of New York and Chicago more than 100,000 men and women, willing to work, were out of employment last winter, many of whom must have perished from want, but for charity's aid. These conditions another winter promise to be no better.

The richest corporations and persons on earth are probably in the United States. How have they accumulated their vast fortunes? Surely not by their own industry and thrift, but by the aid of statutes regulating the rights of property, generally statutes providing for the transmission of property by descent or by will, or the creation of monopolies.

It is only by virtue of statutory law that man is permitted to make disposition of his property by will, and it is only by virtue of statutory law that one person is permitted to inherit property from another, and it is by virtue of statute law that great corporate monopolies have been built up.

No man has a natural right to dispose of property after death, nor has one person a natural right to inherit property from another. As Blackstone says: "There is no foundation in nature or in natural law why the son should have the right to exclude his fellow-creatures from a determinate spot of

land because his father did so before him, or why the occupier of a particular field or of a jewel, when lying on his death-bed, and no longer able to maintain possession, should be able to tell the rest of the world which of them should enjoy it after him."

Under Illinois laws, the owner of real estate is permitted to lease it for an indefinite period, and compel future generations who occupy the premises to pay rent to unborn generations. Leases for ninety-nine years are quite common in Chicago. It is by no divine law that the occupant of land to-day is allowed to compel its occupant one hundred years hence to pay tribute for its use. The statutes of Illinois have given to the owner of property the right to dispose of it by will, not wholly, but to a certain extent. If married, neither the husband nor wife can give away the homestead or dower rights of the other, nor can creditors, heirs or devisees take from the widow her allowance.

The money power has governed legislation in all civilized countries for generations. It matters not what party is in power in the national or State governments of our own country, the money power has exercised a controlling influence in many instances in the shaping and administration of our laws.

If the accumulation of vast fortunes goes on another generation with the same accelerated rapidity as during the present, the wealth of this country will soon be consolidated in the hands of a few corporations and individuals to as great an extent as the landed interests of Great Britain now are.

What is the remedy for this state of things, which, if permitted to continue, will make the masses of the people dependent upon the generosity of the few for the means to live? So far as concerns corporations of a public or quasi-public character—and none others should exist—the remedy is simple. They are completely under the control of the legislatures, whence they derive all their powers.

It is entirely competent for a legislature to provide the manner in which the business of a corporation shall be conducted. It may provide that the directors shall consist of few or many persons, that a portion of them shall be taken from the employes of the corporation, selected by them, another part from the stockholders who furnish the capital for carrying on its business. It may provide that the employes shall first be paid from the revenues of the company a certain fixed sum, graduated according to the character of the work performed by each; that a fair rate of interest shall then be paid upon the capital invested, and the balance be distributed upon some equitable principle between the employes and the stockholders. In case of loss the stockholders would have to

suffer, since the employe, having a right to live, must in all cases receive his daily wages when dependent upon them for subsistence. This principle receives judicial sanction from United States Circuit Judge Caldwell, in a recent order entered in case of the Santa Fe Railroad, as follows:

"Ordered that the men employed by the receivers in the operation of the road and the conduct of its business shall be paid their monthly wages not later than the 15th of the month following their accrual. If the earnings of the road are not sufficient to pay the wages of the men as herein directed, the receivers are hereby authorized and required to borrow from time to time, as occasion may require, a sufficient sum of money for that purpose. The obligations of the receivers for money borrowed for this purpose specified in this order shall constitute a lien on the property of the trust prior and superior to all liens thereon."

Under the powers inherent in every sovereignty, government may regulate the conduct of its citizens toward each other, and, when necessary for the public good, the manner in which each shall use his own property.

Formerly, corporations having special privileges were created by special acts, which the courts construed to be contracts between the granting power and the corporators, which once granted could not be repealed or varied by the granting power. This granting of charters to favored individuals, conferring upon them privileges not possessed by the general public, became obnoxious to public sentiment, and, as a consequence, general laws have been passed in this and many other States, under which any three persons may become incorporated for any private purpose. This has become a worse evil than the old system of granting special charters. Under the general law enacted in this State twenty years ago, I am informed, 27,200 corporations have been created.

Irresponsible persons are often induced, for a small consideration, to form corporations with a proposed capital of millions; to subscribe for the whole stock except a share or two, and for a fancied, imaginary or worthless consideration, to issue to themselves fully paid up stock, which is subsequently transferred to the real parties in interest, who expect thereby to escape personal liability if the concern is a failure, and to pocket the profits if a success. Business of all sorts is now to a great extent carried on in the name of corporations, in order that the proprietors may escape personal responsibility. How can the individual, who is personally responsible for his contracts, successfully compete with a corporation run by persons who incur no such responsibility? Doing business in a corporate name not only paralyzes individual effort, but leads to a concentration of capital—the great evil of our time. The remedy for this

growing state of things would be to restrict the formation of corporations to such as are formed for public purposes, or such as the public have an interest in. Seventy-eight per cent. of the great fortunes of the United States are said to be derived from permanent monopoly privileges which ought never to have been granted.

As before stated, the power to dispose of property after death by will is conferred by statute, under certain limitations. Why should this privilege be given to dispose of more than a fixed amount of property to any one individual, say property to the value of not over five hundred thousand dollars to the wife, of not more than one hundred thousand dollars to each child, and of not more than fifty thousand dollars to any other relative, extending to the third or fourth degree, and that the balance of the estate should escheat to the State, to be used by it for the support of schools, charitable institutions, the employment of laborers in making roads, and other good purposes?

The law now provides for the escheat of estates of persons dying without heirs. The same limitation might be put upon inheritances where there is no will, and in this way the accumulation of vast estates by inheritance or devise would be checked, and property, especially landed estates, which by nature belong to all, would be more equally distributed. It should not be forgotten that the method of transmitting property from the dead to the living is entirely derived from the state. If public policy requires that the state should give to the dying possessor, no longer able to control or take with him his possessions, the privilege of disposing of so much as may be conducive to the comfort and happiness of his surviving kindred, does it require that this privilege should be extended to his disposition of millions to the injury of the rest of mankind?

If it be said that to limit the privilege of disposing of exceeding a million dollars of property by devise or descent would check enterprise and industry, as no man would struggle to acquire property which he could not leave to his surviving kindred, my reply is, that man by his own thrift and industry is seldom able to acquire more than a million dollars' worth of property. Fortunes exceeding that amount are usually acquired by speculation, trickery, or some device by which one man takes advantage of his fellow-man, and which, if not illegal, is immoral; or by members of privileged monopolies, trusts and syndicates,

I don't mean to say that all great fortunes exceeding a million have been acquired by immoral means, but such as have not are the exception, and to limit the privilege of disposing of more than a million by devise or descent would not affect one in ten

thousand of the people. In short, such limitations would tend to discourage, not honest enterprise and industry, but stock jobbing, trickery and other questionable methods of acquiring vast fortunes.

We have already abolished primogeniture, by which the eldest son, to the exclusion of all other children, inherits the entire landed estate of his ancestor, and no one in this country at this day would think of restoring that right, although it still obtains in England. If limitations should be put upon the disposition of vast estates by will or descent, future generations would doubtless look upon our present laws, which allow such estates to be perpetuated in certain families, with the same disfavor with which we now look upon the laws of primogeniture.

Evasions of laws limiting the amount of property to be devised or inherited, by conveyances during life, could be prohibited in like manner as conveyances in fraud of creditors are now prohibited.



God Save the People!

When wilt thou save thy people?
 O God of mercy! when?
 Not kings and lords, but nations;
 Not thrones and crowns, but men!
 Flowers of thy heart, O God, are they;
 Let them not pass like weeds away—
 Their heritage a sunless day.
 God save the people!

Shall crime bring crime forever,
 Strength aiding still the strong?
 Is it thy will, O Father,
 That man shall toil for wrong?
 "No!" say thy mountains. "No!" thy skies;
 Man's clouded sun shall brightly rise
 And songs ascend instead of sighs!
 God save the people!

When wilt thou save the people?
 O God of mercy! when?
 The people, Lord, the people!
 Not thrones and crowns, but men!
 God, save the people, thine they are,
 Thy children, as thy angels fair;
 Save them from bondage and despair!
 God save the people! —*Ebenezer Elliott.*

✿ *The great Napoleon said, after studying a set of compound interest tables: "There is one thing to my mind more wonderful than all the rest, and that is, that the deadly fact buried in those tables has not before this devoured the whole world."*

INTEREST AND USURY.

THE ethical sense of mankind saw at an early day the wrong of usury. The Mosaic law was very explicit on the subject. Cicero mentions that Cato, being asked what he thought of usury, made no other answer to the question than by asking the person who spoke to him what he thought of murder. The Christian Church, in its early days and until the end of the Middle Ages, utterly forbade the exaction of interest. In the reign of Edward VI. a prohibitory act was passed, for the stated reason that the charging of interest was "a vice most odious and detestable and contrary to the word of God." It was not until the time of the Reformation that this interpretation of the divine law was ever questioned. Calvin was one of the first to contend that the sentiment against exacting interest arose from a mistaken view of the Mosaic law. A series of enactments, known as the Usury Laws, restricted the maximum rate to be charged in England. By Act 21 James I., this rate was fixed at 8 per cent. During the Commonwealth this rate was reduced to 6 per cent., and by Act 12 Anne to 5 per cent., at which rate it stood until 1839. In the United States the legal rate of interest varies, nearly all the States having passed statutes fixing a maximum rate.

"It is against nature for money to breed money."

"Usury bringeth the treasures of a realm or state into a few hands; for the usurer being at certainties, and others at uncertainties, at the end of the game most of the money will be in the box; and ever a state flourisheth when wealth is more equally spread."

These quotations are from the essay *Of Usury*, by that wisest of philosophers, Francis Bacon. The reader must bear in mind that while nowadays the term "usury" is applied gen-

erally only to excessive interest, in Bacon's time the word was used for any rate of premium or interest for the use of money. The word *usance*, now obsolete in that sense, conveyed the same meaning, and is used in Shakespeare's "Merchant of Venice." The provocation which Antonio first gave Shylock was that—

"He lends out money gratis and brings down
The rate of usance here with us in Venice."

All are familiar with the conditions which Shylock exacted of Antonio:

Shylock. This kindness will I show.
Go with me to a notary, seal me there
Your single bond; and, in a merry sport,
If you repay me not on such a day,
In such a place, such sum or sums as are
Express'd in the condition, let the forfeit
Be nominated for an equal pound
Of your fair flesh, to be cut off and taken
In what part of your body pleaseth me.

Antonio. Content, i' faith: I'll seal to such a bond
And say there is much kindness in the Jew.

Bassanio. You shall not seal to such a bond for me:
I'll rather dwell in my necessity.

Antonio. Why, fear not, man; I will not forfeit it;
Within these two months, that's a month before
This bond expires, I do expect return
Of thrice three times the value of this bond. . . .
Come on; in this there can be no dismay;
My ships come home a month before the day.

But Antonio's ships did not come in—just as the farmer's crop often fails and the artisan's employment gives out just when the mortgage is due—and Shylock claimed his pound of flesh. "The Merchant of Venice" is a comedy, and Shylock, Bassanio and Antonio are mere creatures of imagination; but there are thousands of tragedies enacted every day in real life in which real Shylocks play a part. The Shylocks of to-day are quite unlike the Shylock of fiction, however. Banker Morgan, who negotiated with Grover Cleveland the star-chamber bond deal by which the American government sold to the

Rothschilds at a premium of only $4\frac{1}{2}$ per cent. \$100,000,000 of interest-bearing gold bonds which were immediately after quoted at a premium of 21 per cent., is a philanthropist. As soon as possible after the deal was made his portrait appeared in many of the great dailies with a fulsome account of his many charities! It will take many a pound of human flesh, many a drop of life's blood, to pay the interest on the bonds which he negotiated, and out of the sale of which he made a cool million in one day.

The Bible has much to say on the subject of usury. The writer has never heard a sermon preached on any of the following texts, perhaps because bankers and money-lenders rent the best pews. Remember that usury here means simply interest—not excessive interest:

Exodus 22:25:—"If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury."

Deuteronomy 23: 19-20:—"Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of anything that is lent upon usury. Unto a stranger thou mayest lend upon usury, but unto thy brother thou shalt not lend upon usury, that the Lord thy God may bless thee."

Nehemiah 5:7:—"Then I consulted with myself, and I rebuked the nobles, and the rulers, and said unto them: Ye exact usury every one of his brother. And I set a great assembly against them."

Psalms 15:5:—David describes a citizen of Zion: "He that putteth not out his money to usury, nor taketh reward against the innocent."

A Chapter from "Caesar's Column."

I cannot do better here than quote a significant chapter from Ignatius Donnelly's powerful novel "Caesar's Column," which certainly did as much as any book ever printed to set people thinking:

"But what would you do, my good Gabriel," said Maximilian, smiling, "if the reformation of the world were placed in your hands? Every man has a Utopia in his head. Give me some idea of yours."

"First," I said, "I should do away with all interest on money. Interest on money is the root and ground of the world's troubles. It puts one man in a position of safety, while another is in a condition of insecurity, and thereby it at once creates a radical distinction in human society."

"How do you make that out?" he asked.

"The lender takes a mortgage on the borrower's land, or house, or goods, for, we will say, one-half or one-third their value; the borrower then assumes all the chances of life to repay the loan. If he is a farmer, he has to run the risk of the fickle elements. Rains may drown, droughts may burn up his crops. If a merchant, he encounters all the hazards of trade; the bankruptcy of other tradesmen; the hostility of the elements sweeping away agriculture, and so affecting commerce; the tempests that smite his ships, etc. If a mechanic, he is still more dependent upon the success of all above him and the mutations of commercial prosperity. He may lose employment; he may sicken; he may die. But behind all these risks stands the money-lender, in perfect security. The failure of his customers only enriches him; for he takes for his loan property worth twice or thrice the sum he has advanced upon it. Given a million of men and a hundred years of time, and the slightest advantage possessed by any one class among the million must result, in the long run, in the most startling discrepancies of condition. A little evil grows like a ferment—it never ceases to operate; it is always at work. Suppose I bring before you a handsome, rosy-cheeked young man, full of life and hope and health. I touch his lip with a single *bacillus of phthisis pulmonalis*—consumption. It is invisible to the eye; it is too small to be weighed. Judged by all the tests of the senses, it is too insignificant to be thought of; but it has the capacity to multiply itself indefinitely. The youth goes off singing. Months, perhaps years, pass before the deadly disorder begins to manifest itself, but in time the step loses its elasticity; the eyes become dull; the roses fade from the cheeks; the strength departs, and eventually the joyous youth is but a shell—a cadaverous, shrunken form, inclosing a shocking mass of putridity; and death ends the dreadful scene. Give one set of men in a community a financial advantage over the rest, however slight—it may be almost invisible—and at the end of centuries that class so favored will own everything and wreck the country. A penny, they say, put out at interest the day Columbus sailed from Spain, and compounded ever since, would amount now [A. D. 1990] to more than all the assessed value of all the property, real, personal and mixed, on the two continents of North and South America."

"But," said Maximilian, "how would the men get along who wanted to borrow?"

"The necessity to borrow is one of the results of borrowing. The disease produces the symptoms. The men who are enriched by borrowing are infinitely less in number than those who are ruined by it; and every disaster to the middle class swells the number and decreases the opportunities of the helpless poor. Money in itself is valueless. It becomes valuable only by use—by exchange for things needful for life or comfort. If money could not be loaned it would have to be put out by the owner of it in business enterprises, which would employ labor; and as the enterprise would not then have to support a double burden—to-wit, the man engaged in it and the usurer who sits securely upon his back—but would have to support only the former usurer, that is, the present employer—its success would be more certain; the general prosperity of the community would be increased thereby, and there would be, therefore, more enterprises, more demand for labor, and consequently higher wages. Usury kills off the enterprising members of a community by bankrupting them, and leaves only the very rich and the very poor; but every dollar the employers of labor pay to the lenders of money has to come eventually out of the pockets of the laborers. Usury is therefore the cause of the first aristocracy, and out of this grow all the other aristocracies. Inquire where the money came from that now oppresses mankind, in the shape of great corporations, combinations, etc., and in nine cases out of ten you will trace it back to the fountain of interest on money loaned. The coral island is built up of the bodies of dead coral insects; large fortunes are usually the accumulations of wreckage, and every dollar represents disaster."

How Wealth Accumulates.

As proof of the fact that it is a mighty fortunate thing for humanity that the Rothschilds did not conduct a bank in the year 1 A. D., I reprint from the *Twentieth Century* the following article by H. C. Whitaker, which shows the beauties of interest-drawing:

"Had one cent been loaned on the 14th day of March, A. D. 1, interest being allowed at the rate of 6 per cent., compounded yearly, then 1894 years later—that is, on March 14, 1895—the amount due would be \$3,497,840,000,000,000,000,000,000,000,000,000,000,000,000 (8,497,840,000 decillions). If it were desired to pay this in gold, 23.2 grains to the dollar, then, taking spheres of pure gold, each the size of the earth, it would take 610,070,000,000,000,000 of them to pay for that cent. Placing these spheres in a straight row, their combined length

would be 4,826,870,000,000,000,000 miles, a distance which it would take light (going at the rate of 186,330 miles per second) 820,890,000 years to travel.

"The planets and stars of the entire solar and stellar universe, as seen by the great Lick telescope, if they were all of solid gold, would not nearly pay the amount. A single sphere to pay the whole amount, if placed with its center at the sun, would have its surface extending 563,580,000 miles beyond the orbit of the planet Neptune, the farthest in our system.

"It may be added that if the earth had contained a population of ten billions, each one making a million dollars a second, then to pay for that cent it would have required their combined earnings for 26,938,500,000,000,000,000 years."



"THE young lambs are bleating in the meadows,
 The young birds are chirping in their nest,
 The young fawns are playing with the shadows,
 The young flowers are blowing toward the west—
 But the young, young children, oh, my brothers,
 They are weeping bitterly!
 They are weeping in the playtime of the others,
 In the country of the free!" —*Mrs. Browning.*



BANKS were unknown in Virginia until 1804, yet no people enjoyed more happiness or prosperity. See the official report of James Guthrie, Secretary of the Treasury, June 30, 1855.



"A WEAPON that comes down as still
 As snowflakes fall upon the sod,
 But executes a freeman's will
 As lightning does the will of God;
 And from its force nor doors nor locks
 Can shield you;—'tis the ballot-box."—*Pierpont.*



"WHAT stronger breast-plate than a heart untainted?
 Thrice is he armed that hath his quarrel just;
 And he but naked, though locked up in steel,
 Whose conscience with injustice is corrupted."
 —*Shakespeare.*

“And ye shall hallow the fiftieth year, and proclaim liberty throughout the land unto all the inhabitants thereof.”—*Leviticus 25:10.*

DEBT AND SLAVERY.

“Debt is the fatal disease of republics, the first thing and the mightiest to undermine government and corrupt the people.”—WENDELL PHILLIPS.

FROM the earliest dawn of history debt has ever borne a close relationship to slavery and servitude. “It is worthy of remark,” says Grote (*History of Greece*, vol. iii., p. 144), “that the first borrowers must have been for the most part driven to this necessity by the pressure of want, and contracting debt as a desperate resource without any fair prospect of ability to pay; debt and famine run together in the mind of the poet Hesiod. The borrower is in this unhappy state rather a distressed man soliciting aid than a solvent man capable of making and fulfilling a contract; and if he cannot find a friend to make a free gift to him in the former character he would not under the latter character obtain a loan from a stranger except by the promise of exorbitant interest and by the fullest eventual power over his person which he is in a position to grant.”

“This remark,” says Prof. Nicholson in the *Encyclopedia Britannica*, “suggested by the state of society in ancient Greece, is largely applicable throughout the world until the close of the early Middle Ages.” The conditions of ancient usury find a graphic illustration in the account of the building of the second temple at Jerusalem (*Nehemiah 5:1-12*). Some said: “We have mortgaged our lands, vineyards and houses that we might buy corn, because of the dearth.” Others said: “We have borrowed money for the king’s tribute, and that upon our lands and vineyards, . . . and lo, we bring into bondage our sons and our daughters to be servants, . . . neither is it in our power to redeem them, for other men have our lands and vineyards.”

In ancient Greece we find a law of bankruptcy resting on slavery. In Athens, about the time of Solon's legislation (594 B. C.), the bulk of the population who had originally been small proprietors became gradually indebted to the rich to such an extent that they were practically slaves; those who nominally owned their property owed more than they could pay, and stone pillars erected on their land showed the amount of the debts and the names of the lenders. Solon's remedy for this state of affairs was to cancel all debts made on the security of the land or the person of the debtor, and at the same time he enacted that henceforth no loans could be made on the bodily security of the debtor, and the creditor was confined to a share of the property.

In Rome's early history practically the same conditions prevailed as in Greece. About 500 B. C. an attempt was made to remedy the evil by providing a maximum rate of interest, no alteration being made, however, in the law of debt. In the course of a few centuries the free farmers were utterly destroyed. The pressure of war and taxes and usury drove all into debt and into practical, if not technical, slavery. The old law of debt was not really abolished until the dictatorship of Julius Cæsar, who then practically adopted Solon's legislation of more than five centuries before, but too late to save the middle class.

In the course of centuries and the evolution of civilization chattel slavery has been abolished; but the slavery of debt still remains, and usury is now, as it was in all the history of mankind, the tool with which debt forges the chains of nations. It is not the province of this work to examine into the conditions of other countries than our own, but the facts now to be presented will convince the thoughtful reader that the American people are bound by chains of debt which it will require the wisest statesmanship to break.

Representative Warner of Massachusetts (Republican), in a speech delivered in Congress in 1894, stated that the interest-bearing debts of the United States, public and private, aggregated a grand total of \$32,000,000,000 (thirty-two billions of dollars). This would be bad enough, but careful estimates

by conservative students of political economy show that the amount is very much larger.

Col. W. H. Harvey, author of "Coin's Financial School," a book which has probably had more readers than any work on political economy ever printed in the world, makes the following itemized estimate of the interest-bearing debts of this country, public and private. Most of the figures are derived from recognized official sources:

The national debt, according to the official census of 1890, was.....	\$ 891,960,104
State and municipal debts (census 1890).....	1,135,210,442
Railroad bonds, 1892 (Poor's Manual, 1893)....	5,463,611,204
Debt on farms and homes occupied by owner (R. R. Porter, Sup't. Eleventh Census, in <i>North American Review</i> , vol. 153, p. 618)	2,500,000,000
Mortgaged indebtedness of business realty, street railways manufactories and busi- ness enterprises, (estimated from partial reports of 11th census).....	5,000,000,000
Loans from 3,773 national banks (Statistical Abstracts of the United States).....	2,153,769,806
Loans from 5,579 State savings, stock and pri- vate banks and trust companies (Statisti- cal Abstracts of the United States).....	2,201,764,292
These are figures on which something definite has been obtained; also the ratio of in- crease from 1880 to 1890, which was from \$6,750,000,000 in 1880 to \$19,000,000,000 in 1890. By computing the same ratio of increase we should now add.....	8,000,000,000
Mortgage debts on homes not occupied by owner (estimated).....	1,000,000,000
Overdue accounts due merchants, wholesale and retail, drawing from 6 to 10 per cent. interest (estimated).....	5,000,000,000
Debts due pawn-brokers, drawing from 60 to 120 per cent. per annum or 5 to 10 per cent a month (estimated).....	1,000,000,000
Private debts due from individuals to indi- viduals and of which there is no public record or other data for census officers to obtain information (estimated).....	1,000,000,000
Maritime debts (estimated).....	1,000,000,000
Overdrafts, judgments, overdue taxes and	

miscellaneous items not included in the foregoing (estimated).....	4,000,000,000
Horrible total.....	\$ 40,346,315,848

In commenting on his figures Col. Harvey says: "Debts, a non-producing industry, growing to such a magnitude that the profits derived from all the producing industries of the country will not more than pay the interest on these debts, make the producers thereafter work for the benefit of the money-lender or non-producing class. When such a condition as to debts arises as we now have, all money nearly gravitates into the hands of the money-lenders and piles up in the money centers. The effect of debts upon civilization has never been understood generally. A prosperous country can carry about a certain proportion of debt among its people without apparent injury, but when it reaches the present proportion—a proportion only reached three times before in the known history of the world—it produces commercial paralysis and the financial enslavement of the people. All the people make goes to pay the money-lenders their interest.

"When you pay money to a merchant or a manufacturer that you may owe, the money you pay him is paid by him to others for material and other products of his business, with no charge or embargo upon it, but when you pay back to a money-lender a debt you owe him, the money stops there until it is loaned out again to come back with interest. When this grows to such an extent as to require all or most of the money in the country to pay the interest on debts, then commerce slackens and there is little or no money among the people except as loaned out by the banks and others whose business it is to loan money. They are dealing in the blood of commerce, and when they take it from the arteries of commerce there is commercial sickness and distress."

The abstract of the Eleventh Census (p. 189) gives the true valuation of all real and personal property in the United States as only \$65,037,091,198. Against this we have an interest-bearing debt of forty billions.

But Col. Harvey's figures are by no means complete. He says nothing about the capital stock of the great railroad, telegraph, telephone, insurance and other corporations, most of which is "water." The reader may say that this is not debt. But it is debt, as it represents what the companies owe to their stockholders; it draws interest; it must pay salaries and dividends. To say that we pay interest every year on forty-five billions is a very conservative statement. And the debt is constantly increasing, for the reason that there is not in circulation, of all kinds of money, enough to pay this interest. Let us figure it out. The average rate of interest is $6\frac{1}{2}$ per cent. Let us say 6 per cent. At this rate we pay each year \$2,700,000,000—over \$40 per capita. Think of it! Forty dollars interest for every man, woman and child! Two hundred dollars for every family! and this exclusive of taxation, which adds still more to the burden of life. The most blatant gold-bug does not claim that there is \$40 of money per capita in circulation. There can be only one result—and that result is slavery, abject, hopeless slavery—slavery under the guise of freedom, but still slavery—unless this burden of debt is thrown off before the patient people succumb entirely.

The all-absorbing scheme of the American oligarchy to-day is the increase of the war power of the nation. (It now costs \$52,712,014 a year to maintain it, without counting cost of construction, \$6,831,803 a year. See page 204, abstract of Eleventh Census.)

If we look at the enormous interest-bearing debt that has been imposed upon the people of this country (almost entirely under Republican rule), we need not wonder why it is necessary to strengthen the war footing. George Washington said: "Beware of a government bolstered up with bayonets!" Without bayonets the American government of to-day would fail.



"FIRST Freedom and then Glory. When that fails,
Wealth, vice, corruption;—despotism at last.
And History, with all her volumes vast,
Hath but one page."

—Byron.

“When the ‘sacredness of property’ is talked of, it should be remembered that any such sacredness does not belong to landed property. No man made the land. It is the original inheritance of the whole species. * * * * * When private property in land is not expedient it is unjust.”

—JOHN STUART MILL.

THE LAND QUESTION.

“The land, including all the natural resources of wealth, is the heritage of the people, and should not be monopolized for speculative purposes.”

GARRETT SMITH, the famous abolitionist, said, in 1856: “Land reform is the greatest of all anti-slavery measures. Abolish slavery tomorrow, and the land monopoly would pave the way for its re-establishment. But abolish land monopoly, make every American citizen owner of a farm adequate to his necessity, and there will be no room for the return of slavery.”

History proves, if it proves anything, that no government can survive when the land has passed from the ownership of the people. France went into the revolution when twelve per cent. of her population owned all the kingdom. In our country to-day the land is passing from the farmers at the rate of one per cent. a year; mortgages and foreclosures of mortgages are steadily increasing in numbers—the home-owners and farm-owners are rapidly disappearing and renters and tenants are taking their places. It would be useless to pile up authorities or statistics in proof of this assertion—the facts are self-evident.

When France went into the revolution it was her own aristocracy that monopolized the land. In our country, the tendency is even worse, for our land, the storehouse from which nearly all our wealth is drawn, is gradually passing into the hands of alien landlords and of soulless corporations much of whose capital stock is owned abroad. The grants to railroads in the United States amount to 325,000 square miles, an area almost equal to the area of the thirteen original States.

That British aristocrats should rule large domains in the United States is at first a difficult thing to grasp. Not until it is borne in mind that peers and peeresses of Great Britain are large landed proprietors in our country—Viscount Scully alone owns 3,000,000 acres in Illinois, Iowa and Nebraska—does the significance of absentee landlordism become apparent.

The greatest of the English holdings and the persons interested are thus given by the *Chicago Record*:

The Texas Land Union (syndicate No. 3), 3,000,000 acres. Interested peers: Baroness Burdett-Coutts, Earl Cadogan, H. C. Fitzroy Somerset (this is the Duke of Beaufort), William Alexander Lochiel Stephen Douglas-Hamilton, Duke of Beaudon; the Duke of Rutland; Ughtaed J. Kay-Shuttleworth and Ethel Cadogan, maid-in-waiting to the Queen. This syndicate owns whole counties in Texas, and tens of thousands of persons pay it rentals.

Sir Edward Reid—2,000,000 acres in Florida. This is a syndicate which includes the present Duchess of Marlborough, Lady Randolph Churchill and Lady Lister-Kaye.

Viscount Scully—3,000,000 acres. His lordship maintains an elaborate system of bailiffs.

Syndicate No. 4—1,800,000 acres in Mississippi. This syndicate includes the Marquis of Dalhousie, George Henry Howard Cholmondeley (Viscount Cholmondeley), Georgiana, Viscountess Cross, the Hon. Lady Hamilton Gordon and the Hon. Lady Biddulph.

Marquis of Tweeddale—1,750,000 acres. The Marquis is William Montagu Hay, famed all over Scotland as the rack-rent landlord.

Phillips, Marshall & Co., London—1,300,000 acres. This firm has the whole peerage for its clients.

The Anglo-American Syndicate, London—750,000 acres. The funds of widowed peeresses are largely invested here. The lands are in the South and West.

Bryan H. Evans, London—700,000 acres in Mississippi.

The Duke of Sutherland—125,000 acres. This is the actress-loving, champagne-bibbing and rack-rent nobleman of police-court fame.

The British Land Company—320,000 acres, in Kansas.

William Whalley—310,000 acres.

The Missouri Land Company—300,000 acres. This operates a Missouri domain and has headquarters at Edinburgh.

Robert Tennant, London—230,000 acres. This is all farming land.

Dundee Land Company—247,000 acres.

Lord Dunmore—120,000 acres.

Benjamin Newgas, Liverpool—100,000 acres.

Lord Houghton (in Florida)—60,000 acres.

Lord Dunraven (in Colorado)—60,000 acres.

English Land Company (in Arkansas)—50,000 acres.

English Land Company (in California)—50,000 acres.

Alexander Grant, London—35,000 acres in Kansas.

Syndicate No. 6—110,000 acres in Wisconsin. This syndicate includes the Earl of Verulam and the Earl of Lankeville.

M. Elfenhauser, of Halifax—600,000 acres in West Virginia.

Syndicate No. 1—50,000 acres in Florida. This is a Scotch concern.

Nearly 20,000,000 acres of American land are owned by landlords in England and Scotland, and the *Record* omits entirely the Arkansas Valley Company, in Colorado, whose inclosures embrace over a million acres alone; the Prairie Cattle Company (Scotch), another million, and dozens of other syndicates which will easily bring the total up to 30,000,000 acres. There is also a Dutch syndicate which owns 5,000,000 acres of grazing land in Western States, and a German syndicate, owning 2,000,000 acres in various States. It is safe to say that not less than forty million acres of the land of this nation is owned in Europe.

It is well known to those who have even casually looked into the matter that foreign land-owning has much impeded the development of the Western commonwealths. These great land-owners positively refuse to sell. They prefer to establish a system of agencies and bailiffs, with the result that very serious complications have resulted. The State legislatures have done their best to deal with the question, but with only

indifferent success. Viscount Scully has for years been a thorn in the path of one State administration after another, and his shrewdness in evading every provision of law directed against him has extorted the unwilling admiration of thousands. This Scully practically owns in Illinois the best part of the counties of Logan, Livingston and Tazewell. The State in 1887 passed an alien land law, directed solely against Scully. To evade it he insisted beforehand upon a clause in all his leases stipulating that the lessee should pay all taxes accruing against the property leased. The result was the creation of a large and solid body of voters in the Scully counties, as they are called, opposed to propositions of public improvement by taxation.

The war against Scully in Illinois threw the other British land-owners into a panic, and as fast as leases have fallen in they have been renewed under heavier and heavier conditions. Alien land laws have occupied the attention of legislatures, and in Kansas and Nebraska the struggle for a time had a serious effect upon land securities of all kinds.

Finally matters came to such a deplorable stage that a committee of the American tenantry was appointed to present a memorial to the London owners of land, setting forth the ruin that stared the Western farmers in the face as a result of the rack-renting system that had been evolved out of chaos. This memorial had a marked effect upon the Baroness Burdett-Coutts, who insisted upon no more eviction of American farmers. It only aggravated the Duke of Sutherland, however, who was then in sore need of funds, and he cabled his agent to collect the rents and send them over at all hazards.

Finding that mild measures availed nothing, the tenantry resorted to a more radical expedient. An association was formed in 1894, in Illinois, Nebraska, Iowa and Kansas, to resist to the utmost the demands of the English landlords. The organization is a secret one and is the first really agrarian agitation in American history.



“HE who has no clear, inherent right to live somewhere has no right to live at all.”—*Horace Greeley.*

“Men lived without gas. Men lived, drawing their water from wells and springs, before water-works. Men lived without railways. Aye, men have lived, and could live again, without money. But no man ever lived, no man can live, without land.”—HENRY GEORGE.

AN EXPOSITION OF THE SINGLE TAX.

BY W. F. COOLING.

THE Single Tax is the name given to a form of taxation proposed by Henry George. It is a definite, practical proposition by which the ancient formula of philosophical democracy, “Equal rights to all, and special privileges to none,” ceases to be a mere abstract generalization. Like the iceberg, seven-eighths of whose mass is invisible, the single tax is the unsatisfactory name by which the far-reaching social philosophy of the school of Henry George is given a local habitation in the form of its most characteristic and satisfactory proposal.

I.—THE SINGLE TAX AND PUBLIC UTILITIES.

In a democratic society, whatever one man is permitted to do, all should have the right to do. Whenever a business is of such a nature, or, so far as any business is of such nature, that it is not open to all, such business should not be permitted to any private citizen, but should be managed by the whole people through their government. “Where combination is possible competition is impossible.” It is possible for any number of men to open little retail stores; to engage in the various trades, arts and professions; but it is not possible that the business of running street cars on Chicago’s streets should be open to all, because the streets are limited in number. So also with the water, gas, telephone, electric light and power supply. The provision of these things requires a special use and monopoly of the public streets and should be managed as public businesses, because to permit such business to private enterprise would be to confer a special privilege, and also because the public can do the work at much less cost to the people than

private individuals can. The great national lines of railway, for the same reasons, to be more fully detailed hereafter, fall into the same class—as public utilities.

II.—THE SINGLE TAX AND PRIVATE PROPERTY.

Single taxers assert that the state must secure, as far as it is possible for positive law to do it, the absolute right of every adult person to his or her faculties and labor products. Every man must be recognized as the owner of himself. It may be true that in a certain sense we all belong to each other and to God, and that no man has an absolute property in himself or anything which his labor produces. But it is also true that the moral right or interest which others may have in our labors is one which generally is incapable of enforcement by the state. It is only in the case of war, pestilence or some other unusual but definite danger threatening the community, that the absolute individual right to life and property determines, because the danger which threatens the community is a concrete one against which a certain definite defense can be made, and because this condition of danger is temporary and unusual. In a similar manner it may be said to be the duty of every person to associate with some religious body, but that duty is not enforceable by the state because it can never determine what religion is the right one.

For these reasons the state must leave to the individual conscience, to the sentiment of the age, as well as to the sense of individual self-interest, the working out of the subtle problems of association. The state must build upon the secure foundation of private property in the products of labor and the greatest possible personal liberty of association. In order, therefore, that any one may be secure in the possession and enjoyment of the products of his own labor, he must have permanent and exclusive possession of the land upon which he has placed valuable and lasting improvements. Otherwise no forest would be cut down, no swamps drained, none of the great improvements would be erected which are characteristic of civilized man. The first step in the direction of civilization and the development of the higher arts was taken when the

individual right of permanent and exclusive possession of land was recognized.

III.—THE SINGLE TAX AND INALIENABLE RIGHTS.

The Declaration of Independence says: "All men are endowed by their Creator with certain inalienable rights; among these are life, liberty and the pursuit of happiness." Therefore if a man has a right to life which cannot without act of his ever be alienated, he has also an equal right to the natural means by which life is sustained. That is to say, his right to himself conceded, he has an equal right with all other men to the world which God has created, or to nature, with all her forces and substances. This great truth has been recognized in all ages, as well by the savage as the civilized man.

IV.—THE SINGLE TAX AND GROUND RENT.

How, then, shall the common and inalienable right of each succeeding generation of men to the earth—to nature's storehouse—be harmonized with the necessity of permanent exclusive possession?

Ground rent, or the rental value which attaches to land as a cleared site, is the measure of the advantage which the exclusive possessor of land has over the one who has no other land than such as may be had by all on equal terms. It, therefore, exactly expresses the value of the special privilege possessed by the possessor of land. It measures the extent of the invasion of the inalienable common rights. Rent, or the price paid for the use of land, is of three kinds:

1. Speculative Monopoly Rent.
2. Monopoly Rent.
3. (Economic) Rent.

3. Economic rent is the value that would attach to land when all *valuable*, but not necessarily all useful land is put to its proper use. This is the single tax.

2. Monopoly rent is the price that may be extorted from a tenant and user of it for the use of land when all useful land is subject to private ownership.

This is the kind of rent paid when all or nearly all the land is held by great entailed estates.

1. Speculative monopoly rent is the price that may be extorted from a speculation in land which includes the present monopoly rent together with some amount estimated to be the future increase in value. This is the worst kind of rent and is the kind usually paid in the United States.

When, therefore, valuable land is permitted to be withheld from use by speculators, the land which may be had free is less in quantity and in usefulness. Land-users are driven to land of less and less utility or are compelled to pay as rent for the more desirable the difference between the productiveness of their labor on that land and upon the relatively useless land which may be had for nothing. But if we were to increase the quantity of useful land which could be had free rent would necessarily fall, and if all useful land not in use could be had for nothing the rent of land would fall to its lowest possible price—economic rent.

There are many children in our large cities who do not know that milk comes from cows, or the simplest details of husbandry. This state of childish thoughtlessness is not uncommon to many would-be reformers. The fundamental question in economics is the relation of man to land. All wealth is the result of labor applied to land. Those who are paid for the permission to use the earth get something for nothing. In all cases the value of land is a social growth, not, like improvements, the result of individual labor. All labor can be divided into two kinds, viz.: *primary* labor, or the so-called extractive processes, the work of those who in the first instance apply their labor to land, as miners, lumbermen, fishermen, graziers and farmers; and *secondary* labor, which is the work of those who prepare the raw products of primary labor for the use of the consumer. The wealth which passes through the channels of trade takes its origin, like the waters of the Mississippi, in countless multitudes of small producers engaged in the primary or extractive processes, from whom the lines of trade converge into the great visible establishments which are as dependent upon the primary producers for their life and being as the tree trunk is upon its roots. Thus we would stimulate

production at its origin, by throwing open to primary labor the vast areas of unused land.

Under any form of society some revenue would be needed by the government. Taxes now levied upon houses, goods, machinery, and license taxes, are necessarily part of the cost of production, and increase the price of the article. Such taxes are always shifted to the consumer. But the tax on the value of land cannot be shifted by the owners of vacant and unused land, because there are no tenants; nor by the owner of highly improved land, because he now gets all the tenants can pay. But as the tax forces the vacant land into use or into the market the value of all land will fall. So a tax on the value of land reduces rent. The existing tenant or future would-be user of land would have his taxes abolished and his rent reduced. The owner of improved land would have no taxes to pay on his improvements, and the fall in the price of other lands would reduce his tax, so that generally the owner of improved lands would have less to pay than under the present system if taxes were properly assessed. But the land speculator, although hit hard, could console himself with the fact that he could without charge replace his vacant land, the value of which was confiscated by the single tax, by any piece of land remaining unused.

The *value* of land is something quite apart from its natural *utility*. There is much fertile land in different parts of the world to which no value attaches. An acre of corn land in Kansas differs much in value from an acre of equal fertility and devoted to the same use near Chicago. The value of any piece of valuable land is the difference between the productiveness of labor upon it and the best land which can be had for nothing.

In the most primitive kind of society the individual family will approach very nearly to the condition of Robinson Crusoe. They will be able by constant labor to maintain themselves in a rude sufficiency. But as population increases a subdivision and more complex association of labor begins. There is a gain which results to the community by reason of the various members setting themselves apart with systematic association to do

the things which each can best accomplish. Twenty men working together intelligently can do much more than twenty times the work of one, and this return to labor increases with every new improvement in productive processes and every new addition to the community. It has been estimated by statisticians in the employ of the United States Census Department that the labor of one farmer to-day working under modern conditions is more productive than the combined-labor of not less than twenty men forty years ago. It is evident that, while some farmers are much better off, and a few worse off, none have benefited to the extent to which their productive power has been increased.

This net gain which is the result of association and improved processes is not evenly distributed. The benefits of association and subdivision of labor are realized to the fullest extent by those who employ themselves within the area where association in production is most general and where subdivision of labor is most intense. Those who realize this net gain to the least extent are those who employ themselves at places remote from the centers of the highest social activity and where association in productive processes and the subdivision of labor is practiced to the least extent. The result is that the net gain resulting from improved methods is appropriated by those who control the areas so utilized for high organization and subdivision of labor; that is, the valuable land and privileges running with such land, except so far as this gain is shared by those who have access to free land. But, as it is upon free land that labor to the least extent participates in the net gain resulting from improved methods, there is a constantly increasing advantage to those who have the power to appropriate the larger part of the gain which results, not from their individual labor, but from the profits of association. This advantage is capitalized in the value of land, the rights of way of railroad and other companies which possess exclusive privileges running with the land.

The increase in the productiveness of labor by reason of the advance of our civilization belongs of right to all. In this gain all have the same right to share on equal terms. Hence

the single tax, by appropriating the amount which is unjustly taken from the common gain by the monopolizers of these special privileges, and by devoting it for the common use of all, would lay the secure foundations of a true co-operative commonwealth by socializing the value of unequal opportunities.

The taxation of ground values is the direct tax of the free traders which cannot be shifted.

The taxation of ground values is the tariff (upon speculation) that protects industry from exploitation.

The annual rental value of the coal mines and timber lands of the United States in use in 1889 was \$451,000,000, according to Bulletin No. 70 of the Census Department. This alone would support the Federal government.

When we have abolished the fellows who get something for nothing, then all will co-operate by exchange of equivalents of service. All that needs be done to establish the co-operative commonwealth is to abolish special privilege.

V.—THE SINGLE TAX AND TRANSPORTATION.

From the most ancient times the care of roads and bridges has been an undisputed function of government. The old wagon roads have long ceased to be the nation's highways.

The monopoly of trade which results from the private ownership of railroads is one of the characteristics of the age. It has created the Standard Oil Company, which received a "rebate" of 50 cents on every barrel of oil shipped by it and a "commission" of 25 cents on every barrel of oil shipped by its rivals. Railroad monopoly has built up the great packing monopolies of Chicago and is now forcing the centralization of all business in a few hands by the process of giving heavy rebates, increasing in proportion to the volume of business done.

Single-taxers are not entirely agreed as to how they will dispose of this question. One proposition is to pass a maximum freight and passenger rate law and to appropriate by taxation the value of special privilege of the business. Another proposition is that the government should build and maintain without charge the roadways and let out the operation of these roads to private competing companies.

VI.—THE SINGLE TAX AND FREE TRANSPORTATION.

Transportation charges are like taxes upon capital. They are a part of the cost of production and must be added to the price of the goods transported, and are therefore in all cases shifted to the consumer. All, therefore, who use and consume goods which are transported over railways are users of railways, whether they travel upon them or not, or whether they are engaged in directly shipping goods or not. Transportation is a means by which the advantages of special locations are equalized, and therefore any reduction in the cost of transportation improves the value of less favored locations by giving them access to the best markets. It is a notorious fact that the building and operation of any needed line of transportation is always followed by a rise in the value of land many times greater than the cost of operating and building the road. The building of a short line of railroad in Kansas some years ago (the Solomon Valley Railroad) was followed by a general rise of value in the land many times as great as the cost of constructing the road. The building of the south side cable system in Chicago a few years ago, displacing horse cars, was immediately followed by a rise in value of adjacent land amounting to \$21,000,000, according to the Chicago Real Estate Board,—an amount over four times as great as the cost of constructing the road. It is the familiar argument by which farmers are induced to vote bonds for railroads, that the road will increase the value of the lands more than the amount of the bonds. In all our large cities are great office buildings in which elevators daily carry without charge hundreds of passengers to the various floors of the building. The increase of rent pays more than the cost of construction. For these reasons many single-taxers, and particularly Henry George, declare that railroads should be built and operated at public cost. The increase in the value of land thereby resulting would more than pay the expense of their construction, operation and maintenance. Under the single tax, therefore, all transportation, both of freight and passengers and of intelligence, would be free. Those who did not directly use the road themselves

would nevertheless share in the reduced prices of things from which the present exorbitant charges had been eliminated.

VII.—THE SINGLE TAX AND FARMERS.

Farmers are the users of the least valuable land, and they also are the greatest sufferers from excessive railroad charges. There is a piece of land in Chicago that recently sold at the rate of \$10,000,000 per acre. The ground rent of the lot on which the Rookery building stands realizes the city of Chicago—the owner—\$37,500 per year. There are many townships which would rent for less. Some years ago a bureau of the Kansas State government stated that there was five times as much land in the State of such as was worth \$20 per acre as there was in use. If that was so, the single tax on such land would not be over twenty cents per acre. The user of 100 acres of land would pay \$20 a year. Today he pays about \$40 in State and county and township (direct) taxes, and about \$150 indirectly in tariff taxes, and about \$1,500 in the reduced price of his products caused by the general system of transportation. If he has a crop of corn, 50 bushels to the acre—a fair crop—say of 5,000 bushels, he will be obliged to sell it for 15 cents per bushel. The corn and other crops all start to move about the same time. The railroads, in order to force the control of the business into the hands of their agents, the elevator men, are never willing to supply cars to the independent shipper. The price of corn in the best markets in this country is rarely less than 50 cents per bushel. Under the single tax the farmer, by paying an insignificant tax on the unimproved value of the land he occupied, would have free access to the home market. If, therefore, the price of corn or the purchasing power of money would not depreciate, he would not realize less than \$2,000 per year.

The farmer would have his annual product, which he could exchange in the best market in the country. The same would apply to all other products. As the prices of things in a general way are an expression of the proportion in which they are produced, and as the production of corn would not essentially vary from the ratio which it now bears to the production of

other things, the farmer's corn would still be exchangeable for the same quantity of lumber, clothing and other things for which it is now exchangeable in the best markets.

VIII.—THE SINGLE TAX AND WAGES.

In the early days of California an ordinary unskilled workman could get an ounce of gold a day working for himself with average luck. As a consequence you could not hire a man to wash dishes for less than about \$15 per day. The wages of unskilled labor are determined by what a man can do working for himself at that employment which is open to all. While yet the public lands remained unappropriated and any one could take up 160 acres of fairly good land at nominal charge, his earnings determined the scale of wages and the standard of living of all. If we suppose that the land of the Kansas farmer is worth now \$2,000 and his improvements and working capital another \$1,000, and charge him with current interest and taxes upon a capital of \$3,000, and subtract this from the value of his annual product, he will hardly realize, one year with another for his toil, over one dollar a day. His only hope is that he may be able to keep out of debt, and, after a life of the most rigid economy and the hardest labor, be able to live a few years in his old age upon the rental value of his land. Under the single tax he would from the beginning realize a handsome return, not less, under the most conservative estimates, than \$2,000 per annum.

When, therefore, any man who was willing to work and who had the necessary capital could earn a good living on the land which the single tax would wrest from the hands of idle and useless speculators, no one who had the capital needed to improve and make use of the land would work for less. When any man can show the opportunity to produce a fixed return, he can now and always obtain the credit (money) needed to develop the opportunity, on the assurance of ordinary honesty and industry. Under the single tax capital would not be invested in the speculative withholding of natural opportunities, sunk in idle land or railroad stocks, or government bonds, but would be invested in machinery, building and the constant em-

ployment of industry. Consequently the whole force of that competition which now exhausts itself in the struggle for opportunity, which the single tax would make free to all, would then be exerted in extending credits and in inviting the stranger and the unemployed to develop on equal terms the resources of a common country. For when special privileges are abolished, those enterprises in which men do not formally co-operate are socialized by competition. Competition is a good thing. It cannot be said to exist to-day on any general scale, because of the unequal terms on which producers are compelled to associate. The plan of single-taxers has nothing in common with the so-called "socialists" who denounce competition. The motto of Turgot was not "Let things alone," that is, give free play to the existing economic system, as "socialistic" writers and our ignorant college professors persistently misrepresent, but "Clear the ways, and let things alone."

IX.—THE SINGLE TAX AND THE MONEY QUESTION.

Ground rent, being the exponent of the difference between the productiveness of labor on valuable land and free land, is the natural measure of that competition which is the origin of prices. When the government is in receipt of ground rent, and is performing the proper functions pertaining to it, which include free transportation, it will then be enabled to issue a paper currency, equal in volume to its last year's revenue, which shall be a legal tender for all *public* debts. Under the single tax there can be no inflation of land values, and as land is the physical basis of life, the one object of primary and necessary utility, the economic value that attaches to land will always "redeem" the currency. In a growing civilization land values as a whole are constantly increasing. All that is needed to forever settle the money question permanently on a scientific basis is—

1. The single tax on land values.
2. The conversion of present units of value into terms of economic rent.

It will be noted that nothing is here said about making this money legal tender for *private* debts. While it may be just to declare that this currency could be legal tender for all

existing debts, it is greatly to be questioned whether the establishment of a legal tender for private debts is a function of the government. The unit which is receivable as legal tender for public debts will serve as a general standard of reference, but private individuals contracting with each other should be free to make such terms and to issue such bills of credit and private paper as they choose.

X.—DEBTS AND MORTGAGES.

So long as private ownership in ground rent and transportation exists labor is reduced to a bare subsistence. Monopoly of land enables the owner to charge the tenant all he can make above a fair living, and monopoly of transportation enables the lords of transportation to exploit the landlords and tends to reduce them to the condition of mere agents of the transportation monopoly. Under these conditions, when the average return is no more than a bare living, the ordinary vicissitudes of business—bad crops or an unexpected fall in prices—tend to gradually involve the masses of men hopelessly in debt. They are caught like fishes in an invisible net, from which only the exceptionally vigorous or fortunate escape. Such is the condition of a majority of the farmers of the frontier, the small business men of the cities, the mechanics and wage-earners, whose employment is constantly becoming more uncertain and less remunerative and whose means of subsistence or whose homes are mortgaged or charged with debt. The single tax will relieve these by making it possible for them to pay their debts honestly.

XI.—THE SINGLE TAX AND TRUSTS AND MONOPOLIES.

Monopoly is a word which is derived from the Greek language and which means that the sale of the article of trade in question is under one control. It is often used to mean exclusive possession or control in the sense of exclusive property. Thus we speak of land monopoly, meaning that the control of land is concentrated in the hands of a few; of railroad monopoly, meaning that the control of the common highways is not in the hands of the people. When the sources of production, *i. e.*, the land and the highways, are in the hands of a few, the

control of trade, or rather the commodities of trade, falls under the same control. There are also other sources of monopoly, such as patent laws, the partial exemption possessed by stockholders in corporations from the laws which enforce the obligation of contracts, and laws creating restrictions upon the natural right of self-employment, such as license taxes and trade restrictions. Nearly all the trusts and monopolies are rooted in privileges of this kind. The Standard Oil Company could not maintain control of the business it now holds at present prices when the sources of supply, the oil wells, are forced into use by the single tax, and when transportation charges are eliminated.

The throwing open to all of the markets of trade by free transportation and the natural sources of production by the single tax would insure such large returns to primary labor that no workman would be satisfied with wages less in amount than he could earn working for himself. And when in all our shops and factories the lowest return given to the mere manual labor of the able-bodied man is not less than \$1,500 to \$2,000 per year, it will not be long before the ownership and control of the plants and machinery of important enterprises will be distributed among all those who desire to assume the care and responsibility of such management. Any business which is protected by no special privilege and which is open to all on equal terms will fall under one control whenever such business is conducted with superior management, presenting cheaper and more ready service than any of its competitors. In such case the economies of management do not result in paying unusual dividends, but in cheaper goods. In this kind of monopoly all share. The management which controls the business acts as the servant of the public. Competition will reduce the profits, when excessive, to the normal condition. Under conditions of equal freedom, ability, whether individual or associated, cannot exert itself in withholding opportunities. That is the only way by which now and in the past the inferior have been exploited or robbed by the superior, the shrewd, cunning and unscrupulous. Ability can then only exert itself in some productive act, some service to the community.

Among some superficial writers who follow the leadership of Edward Bellamy marked inability exists to distinguish between land as a natural element, the value which attaches to land and special privileges which are capitalized and sold as marketable commodities, and real capital. Capital in an economic sense is wealth, *i. e.*, a product of labor, which is devoted to the production of more wealth, or, as Henry George defines it, "Capital is wealth in the course of exchange." Although a man who owns much land, notes and valuable privileges is accounted wealthy, this kind of property is not wealth. Land is not wealth, although exchangeable for wealth, but an opportunity of producing wealth. The valuable slave was not wealth in an economic sense, although wealth in a commercial sense. Much of what now passes for wealth in our markets is merely unjust rights and privileges which the single tax will abolish and render valueless.

True wealth, in an economic sense, is the result of the application of labor to the natural bounties of the earth. As such it is perishable; nature wages incessant war against it. Let human labor cease throughout the entire world for but a few days, and millions would perish. Let it cease for a few years, and little would remain to mark the ruin of the race. The owners of capital as such possess no monopoly. The possessions of the wealthy are perishable and require constant care. The ownership of tangible wealth is not the security of the rich, but the land and special privileges which they possess, for which they can always command a return from the productive labor of others.

"What," says Henry George, "does God Almighty give to man, but the power to labor and land!" Land is the physical basis of life; the essential condition of the exercise of all productive labor.

The selfish instinct which in its proper field is just and natural is thus made to harmonize with the highest expression of "altruism," for in a well ordered society, associating under conditions of equal freedom, the struggle for self assumes the concrete form of a struggle for others. It is only as the others will gain by the individual effort, and to the extent of that gain,

that the individual effort will become profitable. The single tax philosophy is the logical development of the saying of Turgot over one hundred years ago. A caricature of this is what is represented under the name of "*Laissez faire*" or "Let alone." The single-taxers do not say to the state, "Hands off," but "CLEAR THE WAYS!"—that is, remove special privileges, throw open the natural bounties by the single tax upon land values, take possession of the highways, and then "LET THINGS ALONE!"

XII.—THE SINGLE TAX AND ANCIENT LAW.

The single tax is but the application to the conditions of modern life of the fundamental principles of justice which everywhere have been recognized by ancient law and by the great law-givers of the past. This is particularly noticeable in the Mosaic code. Moses knew well what would become of the poor, the less favored in shrewdness and cunning, when divorced from land. Learned in all the wisdom of the Egyptians,—a civilization not unlike what ours is rapidly tending to be, and which had fallen into a condition of monopoly-ridden servitude, by failing to harmonize the necessity of exclusive possession with the common right of all to land,—Moses provided that the land of his people should be apportioned to tribes and to families for their inheritances. These inheritances were inalienable.

"The land shall not be sold forever: for the land is mine; for ye are strangers and sojourners with Me."—Leviticus 25: 23.

But these inheritances could be leased from jubilee to jubilee, 49 years, and for shorter periods, every lease terminating at the same time, and the landless were restored to their family inheritance. Every seven years all debts not paid were released at the same time. So that there could neither be a landless nor a debtor class permanently among them. Among no class of people has labor been more highly esteemed than in this ancient and only national democracy, in the economic sense, which the world has yet seen. The primitive institutions of all races established in some form common right in land. Among the ancient German people

the land was re-divided every two years. Some traces of this custom still exist in English law. Under the feudal system land ownership was contingent upon return to the state of what is now equivalent to taxes. The recent decision of the United States Supreme Court in the Lake Front cases, that the right of the people to the navigable waters of Lake Michigan could not be inalienated even by the Legislature of Illinois, is the enfeebled and decrepid form in which has come down to us the ancient doctrine that the right of all the people to the more valuable land—which is not under water—is inalienable.

XIII.—THE SINGLE TAX AND OVER-POPULATION.

The college professors and their allies, the defenders of all existing monopolies and unjust laws, whose business it is to obscure the most simple matters, say that population tends to outstrip the means of subsistence. This pernicious teaching, which attempts to unload the results of unjust laws upon an imagined "niggardliness of Nature," as one writer puts it, is very satisfactory to the privileged classes, who affect to see in the persistence of poverty, and the increase of those who can find no satisfactory or profitable employment, the manifestation of an inevitable consequence of the natural increase of the population. So-called men of science, possessing a slight acquaintance with the theory of evolution, point out the extraordinary productiveness of organisms, animal and vegetal, and conclude that the consequences of the tendency to increase of low-grade organisms applies in the same manner to man. The fecundity of the lower forms of life, however, is a source of gain. None of these inferior creatures have the power to modify their surroundings to their own needs. By reason of his intelligence the human animal is master over nature, and profits both by the increase of his own species and by the fecundity of others.

Some time ago a clergyman of local reputation addressed the Chicago Single Tax Club on the necessity of restricting emigration. After the address one of the members related that some time ago he ate some caramels and shortly had a severe toothache. Assuming that the trouble was due to the

diseased condition of his teeth, and not to the presence of the candy, *per se*, he went to a dentist and had his teeth filled. "What ought I to have done, quit eating candy, or visited the dentist?" The clergyman said he should have stopped eating the caramels if he could not have found a dentist. "But," said he, "the services of the dentist *were* to be had,—eating the caramels accentuated their condition and indicated unmistakably that the teeth were in an unnatural and unhealthy condition, and thereby gave warning that, unless a remedy was applied, the teeth would be ruined. Now, if I had not eaten the candy I would not have known the condition of my teeth. By prompt attention to the real cause of the trouble I have saved myself serious inconvenience and the utter destruction of my teeth. Now, should we try to stop the natural increase of the population, by immigration or otherwise, or intelligently examine into the fundamental cause of which our so-called overpopulation is only a superficial symptom. We have the single tax as ready at hand as I had the dentist."

The professors assert the existence of two laws, viz.:

1. The Law of Increasing Returns.
2. The Law of Diminishing Returns.

The first of these, they affirm, applies only to the raw materials that have already been extracted from the earth, while the law of diminishing returns determines how great the supply of these shall be; hence, they say, one can not neutralize the other.

There is no department of human activity, unless it be the teaching of political economy in our colleges, which has not been invaded by the intelligence of the age. The introduction of improved processes, scientific methods and labor-saving machinery has been especially marked in the so-called "extractive processes." It has been shown by competent statisticians that in agriculture the labor of one man to-day will produce greater results than that of twenty men fifty years ago.*

"Thus," says one who had carefully investigated this phase of the subject, "one man with a harvester does the work of

*Wm. G. Moody: *Land and Labor in the United States*. Edward Atkinson: *Distribution of Products*. First Report, Commissioner of Labor U. S., called "Industrial Depressions."

three hundred and twenty men sixty years ago. As compared with fifty years ago, in ploughing, one man now does the work of twenty-four; in seeding grain, one does the work of ten; in corn-shelling, one does the work of one hundred and fifty. There are machines that cut, thresh and winnow the grain at one operation. Four men with one of these machines do the work formerly requiring three hundred men.”*

These economies in extractive processes were effected in this country while yet there remained vast areas of government land subject to settlement at nominal cost. Present methods of cultivation will undoubtedly be superseded by a more intensive culture which will yield larger returns. The experiments of Prince Krapotkine, near Paris, France, have developed the possibilities of intensive culture. Upon an acre and one-half of ground he employs sixty-five men profitably.

The land of the United States available for agriculture, mining, fisheries and other extractive processes is only used to a small extent. One authority says that only one-eighth of such land is in use. For all practical purposes the possibility of over-population is as remote from reasonable consideration as the day when the earth, by dissipation of its internal heat, shall become uninhabitable. When opportunities are equal the benefits of association are shared by all in exact proportion to their industry and ability. The more numerous the population the greater the return to the individual laborer. If a general and permanent rise in wages were to attract to the United States the population of the old world, the result must inevitably be to effect greater economies in production, which, under the single tax, would increase the return to labor and industry.

Some Apt Quotations.

“The earth is the common property of all men.”—*Pope Gregory the Great.*

“No man made the land; it is the original inheritance of the species.”—*John Stuart Mill.*

“The original deeds were written with the sword rather than with the pen.”—*Herbert Spencer.*

*Economic Conferences, Chicago, Fourth Session, March 10, 1889. Address by Jesse Cox.

"The greatest discovery of my life is that the men who do the work never get rich."—*Andrew Carnegie.*

"The earth belongs in usufruct to the living; the dead have no right or power over it."—*Thomas Jefferson.*

"The great spirit has told me that the land is not to be made property. The earth is our mother."—*Black Hawk.*

"Whilst another man has no land my title to mine, your title to yours, is at once vitiated."—*Ralph Waldo Emerson.*

"From this one great fundamental wrong [landlordism] flow want and misery and vice and shame."—*Henry George.*

"The reserved rights of the people to the rental value of land must be construed as a condition to every deed."—*United States Supreme Court.*

"There is no foundation in nature, or in natural law, why a set of words upon parchment should convey the dominion of land."—*Sir William Blackstone.*

"The ideal taxation lies in the single land tax, laid upon the rental value of land, independent of improvements."—*New York Times, January 10, 1890.*

"The land of every country is the common property of the people of that country, because the creator made it as a voluntary gift to them."—*Right Rev. Nulty, Bishop of Meath.*

"To deprive others of their right to the use of the earth is to commit a crime only inferior in wickedness to the crime of taking away their lives or personal liberties."—*Herbert Spencer.*

"The right of property, originating in the right of the individual to himself, is the only full and complete right of property. It attaches to things produced by labor, but cannot attach to things created by God."—*Henry George.*

"He who is capable of devising a system by which the expenses of the government shall be limited to its reasonable necessities and its burdens distributed so that they shall be fairly or justly apportioned among all our people, will prove a benefactor to his race and deserve the gratitude of all."—*Gov. Boies, in inaugural address of 1892.*

"The simple yet sovereign remedy, which will raise wages, increase the earnings of capital, extirpate pauperism, abolish

poverty, give remunerative employment to whosoever wishes it, afford free scope to human powers, lessen crime, elevate morals and taste and intelligence, purify government and carry civilization to yet nobler heights is—to appropriate [ground] rent by taxation.”—*Henry George*.

The Single Tax Platform.

The following platform was adopted by the National Conference of the Single Tax League of the United States at Chicago, August 30th, 1893:

We assert as our fundamental principle the self-evident truth enunciated in the Declaration of Independence that all men are created equal and are endowed by their Creator with certain inalienable rights.

We hold that all men are equally entitled to the use and enjoyment of what God has created and of what is gained by the general growth and improvement of the community of which they are a part. Therefore, no one should be permitted to hold natural opportunities without a fair return to all for any special privilege thus accorded to him, and that value which the growth and improvement of the community attach to land should be taken for the use of the community.

We hold that each man is entitled to all that his labor produces. Therefore no tax should be levied on the products of labor.

To carry out these principles we are in favor of raising all public revenues for national, State, county and municipal purposes by a single tax upon land values, irrespective of improvements, and of the abolition of all forms of direct and indirect taxation.

Since in all our States we now levy some tax on the value of land, the single tax can be instituted by the simple and easy way of abolishing, one after another, all other taxes now levied, and commensurately increasing the tax on land values, until we draw upon that one source for all expenses of government, the revenue being divided between local governments, State governments and the general government, as the revenue from direct taxes is now divided between the local and State governments; or, a direct assessment being made by the general government upon the States and paid by them from the revenue collected in this manner.

The single tax we propose is not a tax on land, and therefore would not fall on the use of land and become a tax on labor.

It is a tax, not on land, but on the value of land. Thus it would not fall on all land, but only on valuable land, and on

that not in proportion to the use made of it, but in proportion to its value—the premium which the user of land must pay to the owner, either in purchase money or rent, for permission to use valuable land. It would thus be a tax, not on the use and improvement of land, but on the ownership of land, taking what would otherwise go to the owner as owner, and not as user.

In assessments under the single tax all values created by individual use or improvement would be excluded, and the only value taken into consideration would be the value attaching to the bare land by reason of neighborhood, etc., to be determined by impartial periodical assessments. Thus the farmer would have no more taxes to pay than the speculator who held a similar piece of land idle, and the man who, on a city lot, erected a valuable building would be taxed no more than the man who held a similar lot vacant.

The single tax, in short, would call upon men to contribute to the public revenues, not in proportion to what they produce or accumulate, but in proportion to the value of the natural opportunities they hold. It would compel them to pay just as much for holding land idle as for putting it to its fullest use.

The single tax, therefore, would—

1. Take the weight of taxation off the agricultural districts, where land has little or no value irrespective of improvements, and put it on towns and cities, where bare land rises to a value of millions of dollars per acre.

2. Dispense with a multiplicity of taxes and a horde of taxgatherers, simplify government, and greatly reduce its cost.

3. Do away with the fraud, corruption and gross inequality inseparable from our present methods of taxation, which allow the rich to escape while they grind the poor. Land cannot be hid or carried off, and its value can be ascertained with greater ease and certainty than any other.

4. Give us, with all the world, as perfect freedom of trade as now exists between the States of the Union, thus enabling our people to share, through free exchanges, in all the advantages which nature has given to other countries, or which the peculiar skill of other peoples has enabled them to attain. It would destroy the trusts, monopolies and corruptions which are the outgrowth of the tariff. It would do away with the fines and penalties now levied on any one who improves a farm, erects a house, builds a machine, or in any way adds to the general stock of wealth. It would leave every one free to apply labor or expend capital in production or exchange without fine or restriction, and would leave to each the full product of his exertion

5. It would, on the other hand, by taking for public use that value that attaches to land by reason of the growth and improvement of the community, make the holding of land un-

profitable to the mere owner and profitable only to the user. It would thus make it unprofitable for speculators and monopolists to hold natural opportunities unused or only half used, and would throw open to labor the illimitable field of employment which the earth offers to man. It would thus solve the labor problem, do away with involuntary poverty, raise wages in all occupations to the full earnings of labor, make overproduction impossible until all human wants are satisfied, render labor-saving inventions a blessing to all, and cause such an enormous production and such an equitable distribution of wealth as would give to all comfort, leisure, and participation in the advantages of an advancing civilization.

In securing to each individual his equal right to the use of the earth it is also a proper function of society to maintain and control all public ways for the transportation of persons and property and the transmission of intelligence, and also to maintain and control all public ways in cities for furnishing water, gas and all other things that necessarily require the use of such common ways.

A previous platform contained the following in place of the last paragraph above—and many prominent single-taxers prefer this form:

With respect to monopolies other than the monopoly of land, we hold that where free competition becomes impossible, as in telegraphs, railroads, water and gas supplies, etc., such business becomes a proper social function which should be controlled and managed by and for the whole people concerned, through their proper government, local, State or national, as may be.



What the Referendum Will Do.

It will simplify laws. It will simplify government. It will kill monopoly. It will purify the ballot. It will supplant violence. It will broaden manhood. It will prevent revolution. It will make people think. It will accelerate progress. It will banish sectionalism. It will sever party bondage. It will abolish special privileges. It will wipe out plutocratic dictation. It will reduce taxation to necessity. It will prevent the bribery of law-makers. It will establish home rule in all municipalities. It will restore to the people their natural rights. It will aid honest representatives in serving the people. It will give us a government of the people, by the people, for the people, on a foundation of equal and exact justice to all.—*John A. Wayland.*

☛ *"No alms I ask; give me my task!
Here are the arm, the leg,
The strength, the sinews of a man,
To work, and not to beg."*

—TOM HOOD (*Lay of the Laborer*).

CO-OPERATION.

IN the course of a series of lectures on Socialism and kindred subjects recently delivered in St. Louis, the Rev. W. W. Boyd, of the Second Baptist Church of that city, presented the results of a careful investigation of the subject of Co-operation. The statistics of distributive co-operation in Great Britain make a most interesting exhibit. The English "wholesale" annual business is now \$50,000,000 a year. The total of the reporting co-operative stores is \$250,000,000; the profits, in excess of interest, \$25,000,000; the membership, 1,400,000. The total trade of co-operative stores in Great Britain from 1861 to 1890, inclusive, was \$2,743,436,440, and the profits in excess of interest, \$233,059,495.

In the United States the Puritan settlements early gave a practical training in the spirit of co-operation, and in the first industry, that of the fisheries, the form of co-operation followed which has continued, especially in Maine, to the present. Brook Farm, Hopedale and other associations in the decade of 1840-50 were communistic as well as co-operative, and therein lay their weakness. The Workmen's Protective Union, 1850, the Patrons of Industry (or the Grange) and similar organizations, though co-operative, failed because they did not grasp the true principle of co-operation. Yet out of the experience, agitation and education of those forty years the principles of true co-operation are beginning to be understood and put in practice.

The popular notion of a co-operative store has been for a few persons to subscribe a small capital, buy at the lowest wholesale prices a stock of goods and sell to the members at cost and perhaps on credit, thus cutting the prices of retail traders. The failure of so many so-called co-operative stores

in this country is due to this total misconception of what co-operation is. The same thing occurred in England for half a century, until in 1844 the Rochdale weavers discovered the true principle that must lie at the basis of all successful co-operative enterprise—namely, the feeding of co-operation on its profits. The principal features of the Rochdale system, which has proved successful wherever adopted, are these: Each member of the co-operative society is limited to one vote in choosing directors to conduct the business. Only goods of standard quality and in constant demand are bought. All goods are sold for cash, no credit being given, at the regular retail prices. A record is kept of purchases, and the profits, after deducting interest and a certain portion for the reserve funds, are divided quarterly, not on the shares, as in a joint stock company, but on the amount of purchases each has made. The dividend, or rebate, received by each purchaser is placed to his credit against further shares of the capital stock, or paid to him in cash, as he desires. Thus the savings are constantly invested in the business, and it is this feeding on profits that gives co-operation capital and stability.

In co-operative production we find that cheese factories and creameries for the manufacture of butter are an established success. Of 150 creameries in New England, 80 per cent. are co-operative. In the Central and Western States one-fourth of the whole number are so. In the Northwestern and Middle States one-half of the cheese factories are co-operative. Sixty per cent. of the cheese made in factories in the United States is the product of co-operative effort. The significance of these statements is seen if we add that the dairy production of the United States is annually 610,000 tons, or about one-third of the world's product, and that our exports for 1889-92, inclusive, were 75,487,380 pounds of butter and 344,609,978 pounds of cheese, a total value of more than \$39,000,000. At least one-half of this value was the result of co-operation.

Co-operative manufacturing is the most difficult form of co-operation, yet Mr. Boyd has gathered the statistics of forty such establishments in this country, the managers of which speak of the system in praise.

Building and Loan Associations.

Originating in Philadelphia in 1831, building and loan associations are now to be found in most of the States. In Pennsylvania, it is said, the people have saved through them \$60,000,000, and nearly 100,000 homes in that city have thus been paid for. Commissioner Wright says that, though the average age of all these associations is but 6.2 years, there are in the United States 5,838 of them, with 1,745,725 shareholders, having net assets of \$450,667,594. The total profits have been \$80,664,116. He estimates that by this agency there have been built in this country nearly 400,000 homes. Bradstreet's reports that the aggregate resources of these co-operative savings associations of the country are nearly 60 per cent. of the entire assets of all State, savings, loan and trust companies and private banks and bankers from whom reports were received in 1890. Their deposits were less than 10 per cent. below those of the national banks and were more than twice as large as the total stock of the national banks.

On this showing Mr. Boyd comes to the conclusion that in building and loan associations co-operation has won its most signal success. And yet they are not an unmixed blessing. The writer believes that there are two sides to this question—in fact, that these associations do not at all represent the true principles of co-operation. And the reason is that not all the members borrow, and those who do not have a decided advantage over those who do, in that they get the lion's share of the profits accruing from the usurious rates of interest which prevail. The nominal rate of interest is generally 7 per cent., but as a usual thing money loaned by building and loan associations is put up at auction, the member bidding the largest premium getting the loan. The premium is never less than 20 per cent., often as high as 35 per cent.—and this is always deducted from the loan. Thus a borrower paying interest, on, say, \$2,000, may not have received in reality more than \$1,300, at most \$1,600. If \$1,300, even if the nominal rate of interest is only 6 per cent., he really pays at the rate of over 9 per cent. If the nominal rate is 7 per cent., he really pays nearly 11 per cent. Under the most favorable circumstances the interest

will be at least one-third higher than prevailing rates. Many business men, realizing this, invest largely in the stock of building and loan associations, but would not think of borrowing from them. When they do borrow they make a straight loan elsewhere, timing the loan so that it comes due after their stock matures.

HOW TO CO-OPERATE.

ONE of the greatest, because one of the most active and successful and, above all, one of the most unselfish workers in the cause of Reform is John A. Wayland, formerly of Greenfield, Ind., and now of Tennessee City, Tenn., where he is the guiding spirit of the flourishing co-operative colony of Ruskin. His paper, *The Coming Nation*, all of the profits of which he devotes to his philanthropic enterprise, is one of the brightest examples of originality in journalism. No man living is better qualified to speak on the subject of co-operation. He says:

I may not lay claim to either the age or wisdom to advise my brother workers what to do, but if you will consider some of my suggestions relative to your actions and surroundings, and talk them over among yourselves, I am sure you will be able to find the world brighter to you. You seldom, if ever, give any serious thought to bettering your condition except by hoping for better wages. Your ideals begin and end with "wages," and so long as that be true there is no possibility of your condition being bettered. You mistrust your fellow workmen, never give or receive their confidence, and are afraid of trying to help yourselves by mutual exertion. You may say you also mistrust the employing classes, but you act on their advice and suggestion every time. You say that one of you is dishonest, another lazy, and so on, and they have a like opinion of you; when, if you were to go to them as a brother, take them into your confidence and unfold to them some plan you have thought out honestly of making more wealth, or retaining that you do create, I am sure under many ragged coats you will find true hearts willing to help you, and minds capable of great and noble deeds. It only lacks this expression of confidence to bring out their nobility and yours also. Whoever speaks to a workman about bettering his condition except on terms that take the larger share while the laborer takes all the chances of loss? No one will help you on really just terms. You must learn to help yourselves. I never felt this more than while reading how thirteen poor weavers and shoemakers in Rochdale, England, met and talked over how to better their

condition. They did not have a shilling, but they laid away two-pence (four cents) a week from their scanty wages and began to create a fund. In time they got a few more with them. At the end of a year they had £28. They bought coffee, sugar, tea and oatmeal with it, placed it in a room of one of them and sold it to themselves at the retail price, saving the dealer's profit. They did this at night, that they might not lose time. This grew, and new members were admitted, but it was seven years before the store was finally opened during the day. This was the beginning of a system that has to-day 2,000 retail stores, great warehouses, factories and workshops, ships, all owned by the very workers who are employed in these institutions, each having only a small share of stock, but dividing the profits among them. They do a business of hundreds of millions of dollars annually. It has not only placed them above the power of British capitalists to make profits out of their toil, but it has done more. It has developed some of the noblest, purest characters in England. It has elevated thousands of working people from degraded conditions to self-reliant men and women. It is an example worthy to be followed by all working people. Are you Americans less noble? Are you less independent? Have you the mettle to meet and overcome your ills? Are you capable of recognizing some of the good in you as you do some of the bad in you? Are you worthy of better treatment than you are receiving? If you are, go to work. Take each other into frankest confidence, talk over plans, and when you have carefully considered and decided on some course, pursue it with a determination and vigor that means success. If some drop by the wayside, stop not. Keep your eyes on the goal, your heart true to truth, and all the powers of capitalism and its combines will give way before you. You have never tried to help yourselves, and are therefore helpless. Every obstacle met and overcome will make you stronger. There is no victory where there is nothing to conquer.

You say you can do nothing for the lack of ready cash? More helpless than a Hottentot, who don't use money. Well, I have been studying how to help you out of your troubles, by using the means you have learned something about. If you were not so ignorantly selfish and suspicious of each other, you would not need to adopt such methods, but as you are, I will lay down a plan that will give you all the capital you want without debt or interest, and which will be strictly in conformity with the letter and spirit of the laws.

Let a dozen or twenty men and women incorporate a company under State laws to buy and sell real estate, build houses, and engage in merchandising and manufacturing, as the incorporators may desire. Capitalize say at \$50,000, divided

into 5,000 shares of \$10 each. Have the stock certificates neatly engraved, with blank spaces for name of purchaser and for signing up by the officers, and have them about the size of a bank note. Issue with each certificate, which should represent but one share, a blank proxy, or print it on the back and have the purchaser sign it and also sign his name on the back in the blank for transfer. Then each share will be the property of the holder. Then you have 5,000 \$10 certificates of stock, which will act as so much money if handled in the following manner: Pay no officer any salary, so purchasers will know that the assets will not be eaten up—that will pay you in the future. Then find some man who has a non-productive vacant lot and who will take stock for it. Then find some man who has stone that he will give for stock, using time that he would otherwise be idle. Pay the quarrymen, the masons, the brick-makers, the carpenters, the plasterers, the lime-makers, etc., allowing each to use material and labor that would not be employed, and soon you will have a house ready, all done by time that would have otherwise been idle and forever lost. When the house is ready rent it to one of the stockholders, who will make the best tenant, for he will have an interest in the house as a partial owner. Then repeat it, and soon the rent of the houses will pay an interest on the stock, for there will be no more stock issued than is actually represented by the houses. Whenever you can pay a dividend of 3 per cent. on these shares they will pass at par and you will find them circulating from hand to hand like so many \$10 bills, and you will have an abundance of money to transact your business. You can build a store building and gradually accumulate a stock of goods, and each stockholder will patronize that store because he is an owner in it. You can also erect factories and employ the stockholders. The more people you can get to take this stock for labor or material the stronger your corporation will be, and the more stable will be the stock. By employing none but stockholders, who can thus find a place to create wealth on their idle days, you will compel in a measure all the citizens to be stockholders. Thus you can transform all your idle labor, idle land and idle materials into use and profit, and go on to an unlimited extent, and by paying 3 per cent. dividends (to yourselves) you will not grow poorer, as would be the case if the interest went to New York. Besides, the money shark could not get possession of that stock without giving value received. As it now is, he prints stock that costs him nothing and you pay him a large interest on that. When you have shown that you are entitled to confidence by your management, you can, by joining with other such companies, build great factories, or even railroads.

Now don't sit around like children saying you can do nothing, but go to work and use these methods which capitalists use to rob you. They can be operated anywhere, but especially in small communities where land is cheap and where there is building material handy.

The *modus operandi* of beginning and operating a store, on the principles which have every time been successful, I will outline for you as follows: Get many working people to subscribe \$50 for one share of stock, to be paid, if cash down is impossible, say \$5 at time of subscribing and \$1 per week thereafter until the stock is fully paid up. Great care should be taken to get no quarrelsome or vicious members. Much will depend on that. New members should be proposed and voted on by the society before admission. As soon as capital enough is in hand, rent a building and lay in a stock of goods. Get the best and most sincere co-operator as salesman. *Neither buy nor sell one cent's worth on credit.* Keep an accurate set of books showing purchases of stock and sales. Have meetings of all stockholders quarterly, at which officers shall make their report, in which shall be specified the amount of funds and value of stock possessed by the company. After the rent, help, etc., are paid, the profits should be divided as follows: 5 per cent. on all shares paid up previous to the quarterly meeting; the remainder to be divided amongst the *members* in proportion to the amount of their purchases at the store during the quarter. This is done by giving each member a book in which the amount of each purchase is entered, or by having metal or printed chips of 5c, 10c, 25c and \$1, and giving one of them with each purchase equal to the amount. The bookkeeper should also tally these. Thus the total sales, if nobody but members purchased, would equal the number of these checks or books brought in on the last day of the quarter. The cash and these chips or books must tally. Sales to outsiders would swell the profits to shareholders. By this means the co-operators buy goods at wholesale prices, plus actual expense of conducting business. Fifty dollars to a family will furnish all the capital needed in business. If shareholders do not wish to draw their profits at the end of the quarter, or any part of it, and more capital can be used to advantage, pay them 4 per cent. on such sums, and the company thus becomes a savings bank, as all stores in England are. In this country, the company could be organized as a stock company or under the building association laws, as thought best, but the stock should be so limited as to allow but one or two shares to one person, and the company should always stand ready to pay the face value for any share of stock, and thus keep control of it in desirable hands. All instances where capitalists, except such as were sincere co-operators, were permitted to have a

nand in the management, failed of good results. It is desirable to own your own store-building, and this can easily be done in America, where land is cheap and titles easy of transfer. Mechanics among co-operators can easily build in days of idleness, and material can be purchased by loans at 4 per cent. as above specified. The business should be under the control of a large board of directors. By-laws to bring about these results can be easily drafted. I have outlined above enough to show you how to proceed. Tracts showing working people the advantages to be derived by co-operation should be circulated, and that will stimulate interest. When several stores have been started, by acting together in purchases, great benefits can be obtained that even large retail stores cannot have. If twenty stores were in operation they could import coffee, sugar and many articles and get them cheaper than jobber and wholesaler, whose profits are now added. The Rochdale stores do this.



“THOU, too, sail on, O Ship of State!
 Sail on, O Union, strong and great!
 Humanity, with all its fears,
 With all the hopes of future years,
 Is hanging breathless on thy fate!
 We know what Master laid thy keel,
 What Workman wrought thy ribs of steel,
 Who made each mast, and sail, and rope,
 What anvils rang, what hammers beat,
 In what a forge and what a heat
 Were shaped the anchors of thy hope!
 Fear not each sudden sound and shock,
 'Tis of the wave and not the rock;
 'Tis but the flapping of the sail,
 And not a rent made by the gale!
 In spite of rock and tempest's roar,
 In spite of false lights on the shore,
 Sail on, nor fear to breast the sea!
 Our hearts, our hopes, are all with thee,
 Our hearts, our hopes, our prayers, our tears,
 Our faith triumphant o'er our fears,
 Are all with thee,—are all with thee!”

—*Longfellow.*



“If I were a young man, I should ally myself with some high and at present unpopular cause, and devote my every effort to accomplishing its success.”—*John G. Whittier.*

“No people can be self-governing who are denied the right to vote ‘yes’ or ‘no’ on every law by which they are to be governed.”

DIRECT LEGISLATION.

The Initiative and Referendum.

THE *Initiative* gives the people the power to compel the legislature to put in form all such laws as they may initiate or demand by a preliminary vote.

The *Referendum* permits all legislative enactments to be referred to the people for their ratification by vote before they become laws.

The *Imperative Mandate* gives the people the right to vote out of office at any time men who fail to serve the public or who are untrue to their pledges.

Proportional Representation secures the representation of all parties in proportion to their numerical strength.

Representative Government means government by representatives elected by the people, but independent of the people after election and empowered to ignore or overrule the people's will.

Popular Government, or democracy, means government of, for and by the people. It will be possible only when all officeholders are honest or when the people's representatives are made subject to the people's will by the adoption of the referendum.

There is a radical difference between a democracy and a representative government. Whenever a people are qualified for self-government no power on earth can prevent them from exercising that right. The American people have been too busy “making money” to study their real economic needs, and the result is that irresponsible demagogues have made laws which have plunged the nation into almost hopeless debt, paralyzed its business and impoverished most of the people. The voters have several times of late risen in their wrath and

“turned the rascals out,” but it was only to elect another set of rascals, of different political complexion, perhaps, but equally dishonest and equally irresponsible. The so-called “landslides” in recent elections, however, indicate that the people have begun to think. Soon they will realize that they can control their own government only by keeping the legislation in their own hands—that they must not delegate their sovereignty to representatives or servants, by whatever name they may be known. It is only by means of the *initiative* and the *referendum* that the people can maintain their supremacy. The general adoption of this system is the next step in the world’s progress. The initiative and referendum will take the element of partisanship out of the settlement of economic questions, and this alone is sufficient reason why it should be adopted. Suppose the question of tariff were submitted to the people to vote on. Members of all parties would vote for it and against it, and the majority would decide. It would become a question of economics, not a partisan issue, and would be settled on its merits. The same with the free coinage of silver, paper money, public ownership of railroads, prohibition, and every other great question which the gold political parties have straddled or evaded.

But the principal advantage of the referendum is that it would do away entirely with the lobby—“the third house.” There would be no inducement for any one to bribe the law-makers. They might sell their individual votes, but these would be worthless, as only the people could “deliver the goods.” The people would be quick to see the value of the franchises and privileges which are now being practically given away, to be used by corporations to still further enslave the masses.

Switzerland is the home of the referendum. It is commonly believed that that republic has existed for six hundred years. The fact, however, is that it is the youngest of republics. The characteristic features of the government, those which make it a republic in fact as well as in name, were instituted by the present generation. It is the only country in the world to-day which has overthrown its plutocracy and which

has made it impossible for corrupt politicians to rule the people through the representative system. To the principle of direct legislation, as carried out by the initiative and referendum, must be ascribed the happy conditions which surround its politics. Mr. W. D. McCrackan, author of "The Rise of the Swiss Republic," who has made a special study of the subject, has published in the *Arena* his observations of Swiss politics. He finds that, as a result of the referendum, jobbery and extravagance are unknown and that politics, as there is no money in it, has ceased to be a trade. Office-holders are taken from the ranks of citizenship and are invariably chosen because of their fitness for the work. The people take an intelligent interest in the legislation, local and federal, and are fully imbued with a sense of their political responsibilities. The *Westminster Review*, February, 1888, speaking of the referendum, expresses this opinion :

"The bulk of the people move more slowly than their representatives, are more cautious in adopting new and trying legislative experiments and have a tendency to reject propositions submitted to them for the first time. . . . The issue which is presented to the sovereign people is invariably and necessarily reduced to its simplest expression and so placed before them as to be capable of an affirmative or negative answer. In practice, therefore, the discussion of details is left to the representative assemblies, while the public express approval or disapproval of the general principle or policy embraced in the proposed measure. Public attention being confined to the issue, leaders are nothing. Collective wisdom judges of merits."

In some of the cantons of Switzerland the referendum has been in practice since the sixteenth century. As it is now employed it was adopted by the canton of St. Gallen in 1830, and in 1848 it was incorporated in the Swiss federal constitution. It has been so extended since then that it is now in operation in all the Swiss cantons except Freiburg.

According to the Swiss constitution all amendments thereto must be ratified by the Swiss electors before they become effective. Other measures, like ordinary enactments, must be submitted to a popular vote if a demand is made for such submission, written ninety days after their publication. This

demand must be made by 30,000 voters or by the government of eight of the nineteen entire and six half cantons. In Switzerland the referendum has proved to be entirely satisfactory as a check upon hasty or class legislation.

As to the practical working of the referendum in Switzerland Albert Bushnell Hart says :

“A judgment of the referendum must be based on the working of the electoral machinery, on the interest shown by the voters, and on the popular discrimination between good and bad measures. The process of invoking and voting on a referendum is simple and easily worked, if not used too often. Although the assembly has, in urgent cases, the constitutional right to set a resolution in force at once, it always allows from three to eight months’ delay so as to permit the opponents of a measure to lodge their protests against it. Voluntary committees take charge of the movement, and, if a law is unpopular, little difficulty is found in getting together the necessary 30,000 or 50,000 signatures. Only thrice has the effort failed when made. When, as in 1882, the signatures run up to 180,000 the labor is severe, for every signature is examined by the national executive to see whether it is attested as the sign manual of a voter ; sometimes, in an interested canton, as many as 70 per cent. of the voters have signed the demand. The system undoubtedly leads to public discussion ; newspapers criticise ; addresses and counter addresses are issued ; cantonal councils publicly advise voters, and of late the federal assembly sends out manifestoes against pending initiatives. The federal executive council distributes to the cantons enough copies of the proposed measure so that one may be given to each voter. The count of the votes is made by the executive council as a returning board. Inasmuch as the Swiss are unfamiliar with election frauds, and there has been but one very close vote in the national referenda, the count is not difficult, but there are always irregularities, especially where more than one question is presented to the voters at the same time.

“What is the effect of the popular votes thus carried out? The following table, based on official documents, shows the results for the twenty years 1875-1894:

	<i>Passed.</i>	<i>Rejected.</i>	<i>Total</i>
1. Constitutional amendments proposed by the assembly (referendum obligatory).....	1	6	7
2. Constitutional amendments proposed by popular initiative (50,000 signatures).....	2	1	*4
3. Laws passed by the assembly (refer-			

endum demanded by 30,000).....	14	6	20
	<hr/>	<hr/>	<hr/>
	17	13	31

“Making allowances for cases where more than one question has been submitted at the same time, there have been twenty-four popular votes in twenty years. In addition, most of the cantons have their own local referenda; in Zurich, for example, in these twenty years, more than one hundred other questions have been placed before the sovereign people. These numbers are large in themselves, but surprising in proportion to the total legislation. Out of 158 general acts passed by the federal assembly from 1874 to 1892, twenty-seven were subjected to the referendum; that is, about one-sixth are reviewed and about one-tenth are reversed. Constitutional amendments usually get through sooner or later, but more than two-thirds of the statutes attacked are annulled.”

In his valuable book, “Direct Legislation,” J. W. Sullivan thus recounts what the Swiss have done by direct legislation—

“They have made it easy at any time to alter their cantonal and federal constitutions,—that is, to change, even radically, the organization of society, the social contract, and thus to permit a peaceful revolution at the will of the majority. They have as well cleared from the way of majority rule every obstacle,—privilege of ruler, fetter of ancient law, power of legislator. They have simplified the structure of government—held their officials as servants, rendered bureaucracy impossible, converted their representatives to simple committeemen—and shown the parliamentary system not essential to law-making. They have written their laws in language so plain that a layman may be judge in the highest court. They have forestalled monopolies, improved and reduced taxation, avoided incurring heavy public debts, and made a better distribution of their land than any other European country. They have practically given home rule in local affairs to every community. They have calmed disturbing political elements;—the press is purified, the politician disarmed, the civil service well regulated. Hurtful partisanship is passing away. Since the people as a whole will never willingly surrender their sovereignty, reactionary movement is possible only in case the nation should go backward. But the way is open forward. Social ideals may be realized in act and institution. Even now the liberty-loving Swiss citizen can discern in the future a freedom in which every individual,—independent, possessed of rights in nature’s resources and in command of the fruits of his toil,—may, at his will, on the sole condition that he respect the like aim of other men, pursue his happiness.”

Proportional Representation.

THE term proportional representation has come to be generally applied to a method of electing representatives whereby the representation shall be in proportion to the votes polled by the several parties, or groups of voters, as against the present method of electing them from single districts by a plurality vote. To effect this end numerous plans have been put forth.

The *cumulative vote* allows the voter as many votes as there are representatives to be elected and permits him to distribute them as he pleases among the candidates. This method is applied in a limited degree to the choice of members of the lower house of the Illinois legislature. Each district elects three members, and the voter can cast three votes for one candidate, one and a half votes for two, or one vote each for three.

With the *limited or restricted vote* the voter has a less number of votes than the number of representatives to be elected. Thus in the city of Boston the new law allows the voter to vote for only seven aldermen on one ticket, and declares the twelve candidates receiving the highest vote elected.

The *preferential*, or, as it is commonly known, the *Hare vote*, allows the voter to cast one ballot upon which he has named as many candidates as he sees fit, the candidates named being understood to represent the first, second, third, etc., choice. The whole number of ballots cast is divided by the number of representatives to be chosen, and the quotient is the quota, or number of votes required to elect one candidate. In counting the ballots the first choices are read first; the candidate who receives a quota is declared elected, and the remaining votes cast for him are counted for the next name on the ballot who is the second choice of the voter.

The *free list, or Swiss vote*, allows the voter to vote for a list or ticket as we do in this country, and to designate preferences on the list. The total vote is divided as in the Hare system to get the quota, and the several parties are apportioned representatives according to the number of quotas they have. The successful candidates are those standing highest on their

respective lists. This method is now in use in Switzerland for the election of representatives.

The *Gove system* is a modified form of the Hare method. Instead of the voter naming the candidates whom he prefers, the candidates themselves before election announce to whom they will give their surplus votes.

The *proxy vote* is simply an introduction of the corporation vote into legislative bodies. The candidates who are elected in the legislative assembly cast, not their individual votes, as at present, but the number of proxies they hold.

It will be seen that there are three principles involved in these several methods, the election by cumulation of votes, the election by quotas, and the vote by proxies. The cumulative vote was the first to be put into actual service, being used in England for the election of members of school boards, etc., and in this country in the so-called three-cornered districts for the election of members of the legislature. It still has the support of quite a number of persons, but its limitations are now coming to be recognized. John Stuart Mill, who was an advocate of the cumulative vote, declared it to be merely a makeshift in comparison with the quota system of Hare. The objection to the cumulative vote lies in the fact that if the districts are small only two parties can obtain representation, and these in an arbitrary way, while if the districts be larger, that is, if the number of representatives in the district be made greater, the waste and uncertainty is apparent. A party may decide to vote for four candidates when it has votes enough to elect six; or it may try for six when it has votes for only four. In either case it is deprived of a part of its just share in the representation. The proxy system contains some theoretical merits, but it is feared that in practice it would not work well at present. The tendency to hero-worship would prompt so many voters to give their proxies to a few favorites that the real voting strength of the assembly would be in the hands of two or three men, thus destroying its value as a deliberative body.

The real strength of proportional representation lies in some form of the quota principle, and the tendency in this country as in Switzerland and Belgium is toward the free list

"The American people must learn the lesson of money, or they are lost."

THE PHILOSOPHY OF MONEY.

BY HOWARD S. TAYLOR.

THE word "money" is derived from the Latin *moneta* (from *moneo*, to warn), meaning "warned" or "admonished." *Moneta* was a surname of Juno, because she was believed to have warned the Romans by means of an earthquake to offer sacrifice. In the temple of Juno *Moneta* coins were made—hence *moneta*, meaning either a mint, or coin, or coined money.

The English word "money" is comprehensively defined by Webster as "any currency usually and lawfully employed in buying and selling;" and the word "currency" is defined as "that which is in circulation or is given and taken as having or representing value."

Varieties of Money.

Until recent times many substances entirely foreign to our modern ideas of money were used as measures of value, among which were:

Leather. In Rome and Sparta 700 B. C., and in Persia, Tartary, France and Spain as late as the sixteenth century.

Bark. China used the inner bark of the mulberry tree in the fourteenth century.

Base Metals. Iron was used by the ancient Spartans, Romans and Hebrews; tin was used in ancient Syracuse and Britain, while lead is still used in Burmah and brass in China.

All of these forms of money were stamped with some sort of design indicating their exchangeable value and by whose authority they were issued.

Wood. Several ancient governments used money made of wood. From the time of Henry I. (A. D. 1273), up to the four-

dation of the Bank of England in 1694, a period of over four hundred years, England circulated a legal-tender money made of wood, called "exchange tallies." The "tally" issued by the British Exchequer was a stick or bit of peeled rod upon which notches were cut, indicative of an account, pledge or other commercial transaction. It was split in such a way as to divide the notches. One-half the "tally" was given to the payer and one-half was retained by the Exchequer; and the transaction might be verified at any time by fitting the two halves together, when the notches would be found to "tally" with each other if the check had not been tampered with. Jonathan Duncan said that these wooden representatives of value circulated freely among the people and sustained the trade of England.

Wampum. One of the prevailing forms of money in use among the New England colonies was wampum. This was simply strings of white and black beads made from sea-shells found along the New England coasts. In 1641 Massachusetts made these beads a legal tender at the rate of six for a penny up to the sum of £10; and they were receivable, at that rate, for all judgments and taxes. In 1643 the limit of this legal tender was reduced to 40 shillings. In 1649 the colony passed a statute forbidding the receipt of wampum for taxes, and its use as money rapidly declined, though it still circulated in a limited way in several of the colonies as late as 1704.

Tobacco. The people of Maryland and Virginia, before the Revolutionary War and for some time after, in default of gold and silver, used tobacco as money, made it money by law, reckoned the fees and salaries of government officers in tobacco and collected the public taxes in that article.

Peltries. In an early day several of the Western States made peltries a legal tender. In 1785 the people of the territory now called Tennessee organized a State called "Franklin" and passed the following act, which is illustrative of similar acts in other States:

"Be it enacted by the General Assembly of the State of Franklin, and it is hereby enacted by the authority of the same,

"That from the first day of January, 1789, the salaries of the officers of the Commonwealth be as follows:

"His Excellency the Governor, per annum, 1,000 deer skins.

"His Honor the Chief Justice, per annum, 500 deer skins.

"The Secretary to His Excellency, the Governor, per annum, 500 raccoon skins.

"The Treasurer of the State, 450 raccoon skins.

"Each County Clerk, 300 beaver skins.

"Clerk of the House of Commons, 200 raccoon skins.

"Members of the Assembly, per diem, 3 raccoon skins.

"Justice's fees for signing a warrant, 1 muskrat skin.

"To the Constable for serving a warrant, 1 mink skin.

"Enacted into law the 18th day of October, 1789, under the great seal of State."

Paper. The first printed bank notes of which we have any record were issued by Palmstruck, a banker of Sweden, in 1660.

Gold and Silver have been used as money metals from the earliest times of recorded history. The Bible has many references to the use of both gold and silver as early as the age of Abraham.

Intrinsic Value.

No kind of money, as such, has any intrinsic value, for the instant the material of which the money is made is used for another purpose it ceases to be money. As money, the sole value of the material arises from its function as a circulating medium; and even the value of gold and silver as used in the arts and sciences will be largely determined by the demand for them for money purposes. Of recent years the general demonetization of silver by the principal nations has depreciated the value of that metal about one-half, and there is but little doubt that if gold were similarly demonetized it would correspondingly decline in value. This was the opinion of Cernuschi. He says: "If all nations should demonetize gold it would be worth more than copper, but it would not be worth much more."

Appleton's American Encyclopedia (vol. XI, p. 735) says: "After the discovery of gold in California, Austria, the Netherlands, Belgium and Germany all demonetized gold and adopted silver as the legal tender at a fixed rate. In those countries gold only circulated as a commodity, subject to daily fluctu-

ations in value; and as a consequence, deprived as it was of legal support as money, it was but little used."

Upon the subject of intrinsic value the following authorities are cited:

"Congress shall have power to coin money and regulate the value thereof."—*Constitution of the United States.*

"To coin money and regulate the value thereof as an act of sovereignty involves the right to determine what shall be taken and received as money; at what measure or price it shall be taken; and what shall be its effect when passed or tendered in payment or satisfaction of legal obligations. Government can give to its stamp upon leather the same money value as if put upon gold or silver or any other material. The authority which coins or stamps itself upon the article can select what substance it may deem suitable to receive the stamp and pass as money; and it can affix what value it deems proper, independent of the intrinsic value of the substance upon which it is affixed. The currency value is in the stamp, when used as money, and not in the material independent of the stamp. In other words, the MONEY QUALITY is the authority which makes it current and gives it power to accomplish the purpose for which it was created."—*Tiffany, Constitutional Law.*

"Whatever power is over the currency is vested in Congress. If the power to declare what is money is not in Congress, it is annihilated. We repeat, money is not a substance, but an impression of legal authority, a printed legal decree."—*U. S. Supreme Court (12 Wallace, p. 519).*

"The gold dollar is not a commodity having an intrinsic value, but *money* having only a statutory value; and every dollar has the same value without regard to the material. The gold dollar has not intrinsic value."—*Supreme Court of Iowa (16 Iowa Rep., p. 246).*

"Money is the medium of exchange. Whatever performs this function, does the work, is money, no matter what it is made of."—*Walker, Political Economy.*

"An article is determined to be money by reason of the performance by it of certain functions, without regard to its form or substance."—*Appleton's Encyclopedia.*

"Money is a value created by law. Its basis is legal, and not material. It is, perhaps, not easy to convince one that the value of metallic money is created by law. It is, however a fact."—*Cernuschi.*

Specie Basis.

Where paper currency is made redeemable in gold or silver the paper money is said to rest on a "specie basis." This

monetary scheme now prevails throughout the civilized world. In almost every commercial nation a large portion of the currency in use is paper money in theory, at least, convertible into metallic money at the option of the holder. This financial system is framed upon the violent hypothesis that real money can only be made of the precious metals and that paper bills are not money, but only representatives of money. Those who are addicted to this theory are in the habit of designating coins made of the precious metals as "primary money," "redemption money" or "standard money;" while paper bills are called "secondary money," or "credit money," and are worthless except as they may be redeemed in "primary money." The specie basis may be gold or silver or both. Since the world-wide demonetization of silver gold only is the basis in the leading nations of the earth.

The specie basis theory is open to the following weighty objections:

1. It is contrary to the fundamental law of the United States—the Constitution.

Judge Tiffany, in his work on Constitutional Law, expounding the right of Congress "to coin money and regulate the value thereof," says:

"The authority which coins or stamps itself upon the article can select what substance it may deem suitable to receive the stamp and pass as money; and it can affix what value it deems proper, independent of the intrinsic value of the substance upon which it is affixed."

This learned opinion, which annihilates all necessary distinction between "primary" and "secondary" money, was followed by the United States Supreme Court in the celebrated Greenback cases, and hence has all the authority of law. (See 12 Wallace's Reports, p. 519.)

2. The specie basis theory is contrary to the facts of history, some of which will be recited in succeeding pages. Many instances are recorded in which paper and other material have been successfully used as money where no redemption in coin was promised or possible.

3. The specie basis theory postulates that a certain amount of "redemption money" will support or float a proportional

amount of "credit money." As the specie increases the paper money may be safely increased; and as the specie decreases paper money must also be decreased—a philosophy that would lead to the absurd conclusion that when all specie disappears the people can have no money of any kind. Mr. R. H. Patterson, a distinguished English economist, truly puts the paradox as follows:

"The gospel of monetary science now is, that when a country does not want paper money, it ought to have a great supply of it; and when it does require paper money it shall have none. When a country has enough of specie it ought to double its currency by issuing an equal amount of bank notes; and when there is no specie there should likewise be no notes. Is it necessary to discuss such a theory? In order to be rejected it needs only to be stated; in order to be rejected it only needs to be understood. It is a theoretical monstrosity against which common sense revolts—a burlesque of reason which even the present generation will live to laugh at."

4. The specie basis is insufficient in volume to redeem the credit money which is necessarily used in business. The entire circulating medium of the United States is, approximately, sixteen hundred millions of dollars, of which about one-third is gold, one-third silver and one-third paper. Since silver was demonetized it is now only credit money; hence we have but one dollar of redemption money (gold) with which to redeem two of credit money, or, taking into consideration, as we should, the vast volume of checks, drafts and other credits which must finally be redeemed in gold, it is perfectly apparent that the United States has not one dollar of redemption money with which to redeem one hundred dollars of credit—and thus the whole theory of redemption becomes a mere figment incapable of practical realization. And what is true of the United States is true of all other countries.

5. The specie basis is a breeder of panics. In times of prosperity and confidence credits are safely increased to accommodate the increasing volume of business; and the specie basis is sufficient merely because it is not put to the test, the people preferring paper money because of its superior convenience; but at such a time a pebble may start an avalanche. A startling failure occurs somewhere, creditors press for liquidation,

the banks are besieged, and, being unable to redeem their promises to pay gold, they suspend—and the panic is complete. Such is the recurrent history of finance in all civilized lands.

Charles Sears, an eminent authority, says of the gold basis:

“Within the last fifty years, say, a money crisis has come quite regularly every ten years. Something—any one of a dozen causes, few know what—sets gold to flowing out. Fifty millions withdrawn in a short time from its usual place of deposit is quite sufficient to make the whole volume of coin disappear from ordinary circulation as completely as if it had never existed. The metallic basis is gone—slipped out; the pivot of the system is dislocated; somebody wanted it and took it, and the pyramid tumbles down, burying in its ruins three-fourths of a business generation.”

To the same effect is the opinion of the famous American jurist, Judge Walker. He says:

“The whole paper scheme is founded on the presumption that the holders of these bills will not generally ask for specie at the same time; and, therefore, the amount of specie kept in reserve bears but a small proportion to the notes in circulation. And this is the great evil of the system. A general and simultaneous demand for specie cannot possibly be met, and disaster must follow. To enforce a universal performance of these promises is to insure their being broken. Every sudden panic, therefore, must produce wide-spread calamity.”—*Walker's American Law, p. 152.*

6. The specie basis affords a means by which greedy speculators work “a corner” in gold and thus extort large sums in profits which the people eventually have to pay. The laws and official rulings, for instance, which require the maintenance of a gold reserve in the Federal treasury and the payment of duties and interest on the public debt in gold, create a special and imperative demand for the yellow metal; and as the supply of that kind of money is almost entirely in the hands of a few great banking firms, the latter can, at their pleasure, extort such terms as they please when applied to for gold. An instance of the kind occurred on Feb. 8th, 1895. On that day, in order to maintain its gold reserve, the United States government purchased of M. Rothschild & Sons and J. P. Morgan & Co., bankers of London, 3,500,000 ounces of standard gold coin of the United States at the rate of \$17.80441 per ounce, and

paid for it in United States four per cent. thirty-year coupon or registered bonds, interest payable quarterly. These bonds were taken by the British bankers at \$1.04, and were sold by them within ten days at \$1.18, by which the foreign gold exploiters made a net profit of about eight million dollars—to be eventually paid by the people.

7. The specie basis must inevitably become more and more insufficient with the lapse of time, and the disasters due to it in the past become more frequent and distressing. The population of the world is increasing, barbarous nations are becoming commercial, and commercial nations are extending their commerce with unexampled rapidity from year to year. With this increasing business must come a necessity for a corresponding increase in the medium of exchange—money. But no material increase of the precious metals is possible. On the contrary, as the mines successively become exhausted, or deeper and more difficult to work, it is clear that the annual supply of gold and silver must become increasingly insufficient to replace that which has been lost or consumed in the arts and sciences; and hence the difficulties of the specie basis will of necessity become more and more aggravated as time goes on.

Considerations such as the foregoing have led to the rapid development of a new school of finance which, rejecting the specie basis as antiquated and no longer tenable, professes to find a sufficient guarantee for the stability of money in

The Legal Tender Basis.

President Grant said:

“My own judgment is that a specie basis cannot be reached and maintained until our exports exclusive of gold pay for our imports, interest due abroad, and other specie obligations, or so nearly as to leave an appreciable accumulation of the precious metals in the country from the product of our mines.”—*Message, Dec. 1, 1873.*

Plentiful experience has demonstrated that a paper money based upon the authority, faith and credit of the government and made by law a full legal tender for all debts will serve all the purposes of a staple circulating medium as effectually as gold itself.

The effectiveness of legal-tender paper depends upon two circumstances :

1. Government can by law compel the people to take it in satisfaction of private debts, by refusing to enforce contracts payable in any other kind of money.

2. The government may receive such legal-tender paper in satisfaction of all kinds of taxes and duties, thus giving such money a positive value equal to gold.

The U. S. Supreme Court, in the celebrated Greenback cases, says:

“Making these notes legal tender gave them new uses (or functions), and it requires no argument to prove the value of things as in proportion to the uses to which they may be applied.”—*12 Wallace Reports, p. 519.*

Benjamin Franklin, defending the Pennsylvania colonial paper money before a committee of the English Parliament, in 1764, said:

“On the whole no method has hitherto been found to establish a medium of trade, in lieu of coin, equal in all its advantages to bills of credit founded on sufficient taxes for discharging it at the end of the time, and in the meantime made a general legal tender.”

Thomas Jefferson, in his letter to Mr. Epps, said of government paper money:

“It is the only resource which can never fail them, and it is an abundant one for every necessary purpose. Treasury bills, bottomed on taxes, bearing or not bearing interest as may be found necessary, thrown into circulation, will take the place of so much gold or silver.”

President Jackson, in his message, 1829, said:

“I submit to the wisdom of the legislature whether a national one [currency] founded on the credit of the government and its resources might not be devised.”

John C. Calhoun, in a speech in the U. S. Senate Dec. 18th, 1837, said:

“It appears to me, after bestowing the best reflection I can give the subject, that no convertible paper—that no paper that rests upon a promise to pay—is suitable for a currency. It is the form of credit paper in transactions between men, but not for a standard of value to perform exchanges generally, which constitutes the appropriate functions of money or currency. No one can doubt but that the credit of the government is bet-

ter than that of any bank—more staple and safe. I now undertake to affirm, and without the least fear that I can be answered, that paper money issued by the government, to receive it for all dues, would form a perfect circulation which would not be abused by the government; that it would be uniform with the metals themselves.”

Legal-tender paper money is usually issued in times of war when gold and silver are hoarded or exported from the country; and, as a consequence, such legal tender is put to the severest possible tests, those of an imperilled government, disturbed industry and impeded foreign trade; nevertheless, history abounds with instances to prove the entire sufficiency of this kind of money.

In 1156 the Republic of Venice established a system of paper credits which served as the principal circulating medium of that country until 1797. This money was always at par and frequently at a premium. In 1770 the Russian government issued its own notes, which sustained the government through two wars and commanded a premium over coin. In 1797 to 1823 England issued \$225,000,000 full legal-tender paper with which to carry on war against Napoleon. In his “Political Economy,” John S. Mill says of these notes: “After they were made a legal tender they never depreciated a particle.”

During the colonial period of American history several of the colonies issued and successfully maintained legal-tender paper money. One instance is illustrative of them all. In 1739 Pennsylvania issued \$400,000 in legal-tender paper not redeemable in coin, but receivable for taxes, which was loaned directly to the people on security of land and plate. This money continued in circulation until it was prohibited by the British government in 1775. Commenting on the success of this system, Dr. Franklin said: “Between the years 1740 and 1775, while abundance reigned in Pennsylvania and there was peace in all her borders, a more happy and prosperous population could not, perhaps, be found on this globe.”

During the Franco-German war France issued an enormous volume of legal-tender paper money, of which Victor Bonnet, the eminent French economist, says: “In the midst of the greatest calamities that ever befell a nation, with an enor-

mous ransom to pay a foreign nation, and with great domestic losses to repair, a credit circulation was maintained four times as large at its base without depreciation. This circulation reached \$600,000,000."

During the war of the rebellion in the United States 1861-5) the government issued a volume of legal tender "greenbacks" which on July 1st, 1865, was outstanding to the amount of \$432,687,966.

The first \$60,000,000 of this paper money, issued under authority of the acts of July 17 and August 5th, 1861, and February 12th, 1862, called "demand notes," was made a full legal tender for all debts public and private. This issue never fell below and often was above par as compared with gold. In a speech delivered in the U. S. Senate July 4th, 1862, Hon. John Sherman said of these "demand notes":

"The notes are now held and hoarded. The first issue of \$60,000,000 were issued with the right of being converted into 6 per cent. twenty-year bonds and with the privilege of being paid for duties in customs. They are now far above par and hoarded."

In Schucker's *Life of Salmon P. Chase*, p. 225, the author says:

"The demand notes, being receivable for customs the same as coin, kept pace with the advance in the price of coin."

All of the greenbacks except the first \$60,000,000 were purposely depreciated by the "exception clause;" that is, they were made a legal tender for all debts, public and private, *except duties on imports and interest on the public debt*, which latter were required to be paid in coin. This exception clause created a special demand for coin, and as a consequence metallic money rose to a great premium, at one time (July, 1864) being at a premium of \$2.85 in greenbacks to \$1 in coin. That these greenbacks were purposely depreciated stands upon the evidence of Hon. John Sherman, who in a report as chairman of the Senate Finance Committee, made on the 12th of November, 1867, said: "But it was found that with such a restriction upon the notes the bonds could not be negotiated, and it be-

came necessary to depreciate the notes in order to make a market for the bonds."

Speaking of the amendment by which the "exception clause" was passed, Hon. Thaddeus Stevens said in a speech delivered in the House, February 20th, 1862:

"It has all the bad qualities that its enemies charged in the original bill and none of its benefits. It now creates money and by its very terms declares it a depreciated currency. It makes two classes of money—one for the banks and brokers, and another for the people. It discriminates between the rights of different classes of creditors, allowing the rich capitalists to demand gold, and compelling the ordinary lender of money on individual security to receive notes which the government had purposely discredited. . . . But now comes the main clause. All classes of people shall take these notes at par for every article of trade or contract unless they have money enough to buy United States bonds, and then they shall be paid in gold. Who is that favored class? The banks and brokers, and nobody else."

This conspiracy of the lawmakers, by which the soldier in the field was paid in depreciated greenbacks while the Wall Street usurer received gold, did not deprive the paper money of its splendid functions. While coin rose to a great premium, owing to the special use made of it in payment of customs and interest on the public debt, the legal-tender money carried on the great war and conducted the business of the most prolific and prosperous epoch in the history of the United States.

As a matter of fact the greenbacks, discredited by legislation as they were, did not depreciate in comparison with commodities, but gold *appreciated* owing to the special demand created for it by law. The people never lost confidence in the government paper money, even in the darkest hours of the panic of 1873, as is shown by the language of President Grant. He said:

"The experience of the present panic has proven that the currency of the country, based, as it is, upon the credit of the country, is the best that ever has been devised. Usually in times of such trials, currency has become worthless or so much depreciated in value as to inflate the values of all necessaries of life as compared with currency. Every one holding it has been anxious to dispose of it on any terms. Now we witness

the reverse. Holders of currency hoard it as they did gold in former experiences of like nature."—*Message, Dec. 1, 1873.*

The Functions of Money.

The functions or uses of money are three-fold:

It is a measure of value.

It is a medium of exchange.

It is a means of storing wealth.

As a *measure of value* money determines in what proportion commodities and services shall be interchanged. The yardstick measures the quantity of fabrics; but some fabrics are more valuable than others. A bolt of silk, for instance, is more valuable than a bolt of muslin—a difference which the yardstick, alone, cannot indicate; it merely measures quantities, not values. Here the money measure becomes necessary. The abstract unit which we call a dollar measures the *values* of both silk and muslin and determines how many yards of muslin should be exchanged for a yard of silk.

Money is a *medium of exchange*. Smith has a horse and buggy which he wishes to exchange for a piano belonging to Brown. Brown is willing to part with the piano, but does not want a horse and buggy; he does want, however, a gold watch. Jones has such a watch, but wants to dispose of it for clothing. Wilson has clothing, but he wants coal. For these four parties to find out each other's wants and effect an exchange of actual commodities and adjust the difference in value between the articles would involve time and labor and make so many difficulties that the transactions would be greatly delayed, if not defeated. Here money performs its beneficent offices as a medium of exchange. Smith sells his horse and buggy for money and with it purchases Brown's piano. Brown buys the watch he wants, and thus money goes from hand to hand, affecting innumerable exchanges, not only in the small neighborhood, but in great commercial circles, thereby bringing the antipodes together and enabling them to supply each other's wants with the least possible loss of time and labor.

Money is, also, a *means of storing wealth*. Jackson has a valuable farm, but is getting too old or infirm in health to

work it. He might exchange it for a great quantity of food, clothing, and other necessaries sufficient to last him the remainder of his life; but these articles could not safely be stored so as to preserve them for future years, and some representative, that can be stored, must be found. Money is that representative. Jackson sells his farm for money, and with the money purchases from time to time the necessaries required.

From a brief study of these three great functions performed by money may be readily determined what should be the characteristics of a perfect currency, one that would most effectually and justly serve mankind.

As a measure of values and as a means of storing wealth it is clear that money ought to be stable, that is, it should as nearly as possible have the same purchasing power from year to year and in all sections of the country; for when money fluctuates in purchasing power it is obvious that some men will gain and some will lose without any merit or fault upon their part, but simply in consequence of the fluctuations in the value of money. This is particularly true in case of debt, for if a debt be contracted when money is cheap, and paid when money is dear, the debtor will evidently lose by the change, and if the circumstances be reversed the creditor will lose.

To secure such stability or uniformity of purchasing power no measure or method is so effectual as for the government to make all its money a full legal tender for all debts public and private.

As a medium of exchange the volume or quantity of money in circulation should be sufficiently large to accomplish the transaction of business without waste or delay. In estimating the necessary volume it is proper to take into consideration the numbers of population, the magnitude of business transacted, and since a nimble dollar will perform the work of several slow ones, the "effectiveness" or rapidity with which money circulates; and since population and business are, upon the whole, constantly increasing, and the rapidity of circulation (until some swifter method of locomotion be discovered) remains unaltered, the volume of money, clearly, ought to be increased from year to year. Few who have not patiently studied the

problems of finance understand the mighty effects of an expansion or contraction of the money volume upon, not only the material, but the moral well-being of mankind. The very heart of the complex money question, the center of all its divergent issues, is the question of

The Volume of Money.

The volume or quantity of money in circulation is always hard to determine, principally because banks, brokers and their allies in official and journalistic positions are generally interested in concealing or misstating the facts on purpose to mislead the public; so that, not infrequently, a period of financial disaster steals upon the people unaware and they are compelled to endure all the miseries of such an event without being able to detect the cause or apply the remedy. In such circumstances the masses may dimly perceive that they are being robbed, yet, unable to detect the means of their spoliation, they attribute it to every cause but the real one, and thus the spoliators are enabled to repeat their robbery again and again, undetected by any save a few whose complaints are regarded as the extravagances of uninformed or fanatic minds.

To fully comprehend how the exploiters of money may enrich themselves and impoverish others by merely manipulating the currency it is necessary to understand the primary fact that *an increasing volume of money brings rising prices and business activity, while a diminishing volume of money causes falling prices and business stagnation.* Upon this proposition the following authorities are cited:

David Hume, the English historian, in his essay on "Money," says:

"We find that in every kingdom into which money begins to flow in greater abundance than formerly everything takes a new face; labor and industry gain life, the merchants become more enterprising, the manufacturers more diligent and skillful, and the farmer follows his plow with greater attention and alacrity. The good policy of the government consists of keeping it, if possible, still increasing as long as there is an undeveloped resource or room for a new immigrant, because by that means there is kept alive a spirit of industry in the nation which increases the stock of labor, in which consists all real

power and riches. A nation whose money decreases is actually weaker and more miserable than other nations which possess less money but are on the increasing hand."—*Essays and Treatises, vol. I, p. 283.*

Henri Cernuschi, an ex-banker of Paris, and recognized as, perhaps, the most eminent of the French writers on finance, says:

"The value of money depends upon its quantity. It is the same with gold as with greenbacks. If the stock in circulation is augmented the purchasing power of every greenback is diminished; and so with gold and silver. The purchasing power is always in relation to the quantity of the money."—*Nomisma, p. 15.*

"That commodities would rise and fall in price in proportion to the increase or diminution of money I assume as a fact that is incontrovertible. That such would be the case the most celebrated writers on political economy are agreed."—*Ricardo, Political Economy.*

"If the whole money in circulation was doubled prices would double. If it was only increased one-fourth, prices would rise one-fourth. The very same effect would be produced on prices if we suppose the goods (the uses for money) diminished instead of the money increased; and the contrary effect if the goods were increased or the money diminished. So that the value of money, all other things remaining the same, varies inversely as its quantity; every increase in quantity lowering its value and every diminution raising it in a ratio exactly equivalent."—*J. S. Mill, Principles of Political Economy.*

Wm. H. Crawford, Secretary of the Treasury, in his report, Feb., 1820, says:

"All intelligent writers on currency agree that when it (money) is decreasing in amount poverty and misery must prevail."

By joint resolution of the United States Congress Aug. 15th, 1876, a "United States Monetary Commission" was appointed to inquire into the prevailing "hard times." It consisted of Senators John P. Jones, Lewis V. Bogy and Geo. S. Boutwell, and Congressmen Randall L. Gibson, George Willard and Richard P. Bland; to whom were added Hon. Wm. S. Groesbeck of Ohio, Prof. Francis Bowen of Massachusetts, and Geo. M. Weston of Maine; the three latter acting as secretaries of the commission. On March 2d, 1877, the commission

reported. The following extracts are taken from the report:

"While the volume of money is decreasing, though very slowly, the value of each unit of money is increasing in a corresponding ratio, and property and wages are decreasing. Those who have contracted to pay money find that it is constantly becoming more difficult to meet their engagements. The margins of securities melt rapidly, and their confiscation by the creditor becomes only a question of time. All productive enterprises are discouraged and stagnate because the cost of producing commodities today will not be covered by the price obtainable for them tomorrow. Exchanges become sluggish because those who have money will not part with it for either property or service, for the obvious reason that money alone is increasing in value while everything else is decreasing in price. This results in the withdrawal of money from the channels of circulation and its deposit in great hoards where it can exert no influence on prices. Money in shrinking volume becomes the paramount object of commerce instead of the beneficent instrument. Instead of mobilizing industry, it poisons and dries up its life currents. It is the fruitful source of political and social disturbance. It foments strife between labor and other forms of capital while itself, hidden away, gorges on both. It rewards close-fisted lenders and filches from and bankrupts enterprising producers. An increasing value of money and falling prices have been and are more fruitful of human misery than war, pestilence or famine; they have wrought more injustice than all the bad laws ever enacted."—*Report of U. S. Monetary Commission, vol. I, p. 10 et seq.*

Pointing out how a contraction of the money volume increases the debt obligations of the past, R. H. Patterson, especially commended by Gladstone as one of the ablest of English writers on finance, says:

"And what is such a dearth of money and rise in the measure of value but an injustice to the many to the gain of the few—an unfair exaltation of the power of the past over the present, an unfair and undesirable aggravation of the poverty of the poor and the wealth of the rich—a stereotyping of classes according to wealth, until they tend to become permanent? We have seen how powerful and beneficial was the influx of the precious metals from the New World four centuries ago in breaking the social bondage which had settled over Europe during the long night of the Dark Ages, enabling that generation to escape from the heritage of the past and bound forward upon the new career then opening to mankind. Such times come from the hand of Providence, and with an exceeding rarity even in the long career of civilized mankind. But

at least let us avoid the opposite and never allow successive generations to be unfairly—nay, most unjustly, though it may not be so meant—handicapped, each in its own race, owing to a growing dearth and dearness of money.”—*The New Golden Age, vol. II, p. 500.*

President Grant said:

“To increase our exports sufficient money is required to keep all the industries of the country employed. Without this national as well as individual bankruptcy must ensue.”—*Message, Dec. 1st, 1873.*

Hon. John Sherman, in a speech in the Senate, Jan. 27, 1869, said in opposition to a bill to contract the currency by retiring the greenbacks:

“It is not possible to take this voyage without the sorest distress. To every person except a capitalist out of debt, or a salaried officer, or annuitant, it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy and disaster. . . . It means the ruin of all dealers whose debts are twice their business capital though one-third less than their actual property. It means the fall of all agricultural productions without any great reduction of taxes. When that day comes every man, as the sailor says, will be close-reefed; all enterprise will be suspended, every bank will have contracted its currency to the lowest limit; and the debtor, compelled to meet in coin a debt contracted in currency, will find the coin hoarded in the treasury, no representative of coin in circulation, his property shrunk not only to the extent of the depreciation of the currency, but still more by the artificial scarcity made by the holders of gold. To attempt this task by a surprise upon our people, by arresting them in the midst of their lawful business and applying a new standard of value to their property without any reduction of their debts, or giving them an opportunity to compound with their creditors, or to distribute their losses, would be an act of folly without an example in evil in modern times.”—*Congressional Globe, 1869, p. 629.*

In a speech in the United States Senate, March 17, 1874, General John A. Logan pointed out the cause of the panic of 1873 as follows:

“But, sir, that the panic was not due to the character of the currency is proved by the history of the panic itself. . . . No, sir, the panic was not attributable to the character of the currency, but to a money famine, and to nothing else. In the very midst of the panic, we saw the leading bankers and business men of New York pressing and urging the President and

the Secretary of the Treasury to let loose twenty or twenty-five millions more of the same paper for their relief—the very same men who today denounce it as a disgrace to our government. It was good enough for them when they were in trouble.

“Why is it that representatives forget the interests of their own section and stand up here as the advocates of the gold-brokers and money-lenders and sharks, the same class of men whose tables Christ turned over, and whom he lashed out of the temple at Jerusalem? . . . Carry out the theory of the contractionists and what must be the inevitable result? Every enterprise and industry must be dwarfed in like proportion. The busy hum of the spindle will cease its sound in many a mill which now gives employment to hundreds of active hands and supplies the comforts of life to many a happy home. The bright blaze of many an iron foundry which gives life and cheerfulness to the grand scenery along the streams of Pennsylvania will cease to gild the night with its rays. And the same industry in my own State, and that of the Senator from Missouri, which has been so rapidly increasing of late, will be crippled, and hundreds who now find employment there will be compelled to seek a home elsewhere for want of work. The undeveloped resources of the South and West, which we have just begun to appreciate, will rest in abeyance until a wiser policy shall bring them into use. . . . Why, sir, the people were never freer from debt in proportion to the business done than in 1865, at the close of the war, when Mr. McCulloch began his system of contraction, and at the very time when eleven millions more people were to be supplied. Was it to be supposed that the activity and energy which the adequate supply of money had put in operation, and which was giving prosperity and happiness to the country, would suddenly dwarf itself to suit financial notions without a struggle? The inevitable result was an expedient to meet the consequent want, and credit was expanded. At the very moment above all others when adequate supply was needed, the opposite course was adopted; and right here lies the true cause of the late panic, which resulted from a money famine and not from an excessive supply. . . . Sir, turn this matter as we will, and look at it from any side whatever, and it does present the appearance of being a stupendous scheme of the money-holders to seize the opportunity of placing under their control the vast industries of the nation. Therefore I warn Senators against pushing too far the great conflict now going on between capital and labor. . . . Capital rests upon labor; but when it attempts to press too heavily on that which supports it in a free republic, the slumbering volcano, whose mutterings are beginning already to be heard, will burst forth with a fury that no legislation will quell.”

From the foregoing, which is but a small fragment of the immense literature in harmony with the opinions cited, the following conclusions may be digested:

1. A diminished volume of money always causes a proportional diminution in the price of labor and commodities—or, to express it otherwise, money becomes dear and everything else cheap.

2. This redounds to the advantage of the capitalistic class, who are thereby enabled to exact more for their money in services and commodities, to purchase all kinds of stocks and properties at diminished rates, and to foreclose mortgages and collect other forms of debts under such conditions as to make "hard times" a harvest for the creditor class.

3. The debtor class is compelled not only to yield more services and commodities for the money which it receives or has previously received, but suffers the further hardship of languishing business and enforced idleness or diminished wages; and it should be remembered that every producer is a debtor, even though he has no specific obligations outstanding; for he will have to aid those who *have* such obligations by receiving less prices and wages and by paying relatively increased taxes, salaries, rents and profits to those members of the debtor class who are immediately above him in the social scale, and who will seek to save themselves by shifting the burden of their obligations onto those who are below.



"ILL fares the land, to hastening ills a prey,
Where wealth accumulates and men decay.
Princes and lords may flourish and may fade;
A breath can make them, as a breath has made;
But an honest peasantry, a country's pride,
When once destroyed, can never be supplied."

—*Goldsmith.*



"WEALTH is necessary; let us not disclaim against it; every nation needs it to attain the highest achievements in civilization. But it is a blessing only as a servant and is destructive as a master."—*John P. Altgeld.*

“I am astonished at nothing in our business life so much as the absence of an earnest, determined endeavor on the part of our men of brains to find the cause of these chronic crises and hard times and then set upon the track of some remedy therefor.”—REV. HEBER NEWTON.

A BIRD'S-EYE VIEW OF AMERICAN FINANCIAL HISTORY.

BY SAMUEL LEAVITT.

WHAT may well be called the American system of money has been gradually evolved, during three hundred years, from the bitter experiences of the most practical people that ever trod this globe. Franklin, Jefferson, Jackson, Calhoun, Clay, Gallatin and Benton were its prophets. But it first began to take definite shape during our civil war under such men as Edward Kellogg, Thaddeus Stevens, Henry C. Carey, Stephen Colwell, Pliny Freeman, Ben Wade, Oliver P. Morton, Henry Wilson and John Thompson; and later, Warwick Martin, Peter Cooper, Thomas Ewing, Wendell Phillips, John E. Williams, George Opdyke, John G. Drew, John P. Jones, William D. Kelley, B. F. Butler and others.

What first strikes the observer in a bird's-eye view is that the whole modern movement toward a rational money system was started by that much maligned genius, John Law, in France, in 1715. His system was one of the first recent revolts against the tyranny of metal money. He was the real founder of the Bank of France and the present French system. The *Encyclopedia Britannica* calls him an “unequaled financier.” His great thought was plenty of government paper money, and France has kept that thought. Law was finally beaten by politicians and the King's mistresses, when he tried to improve his system.

Turning homeward, we find the first American coin money, succeeding the wonderfully useful wampum, came very curiously—coin usually does. In 1652 a mint was set up in Boston to coin silver into “pine tree” money. The silver came mostly

from the West Indian trade. Our rulers in England then, as now, only busied themselves in stealing from us any good money we could get hold of. Singularly enough we depended largely then upon another class of pirates—the buccaneers of the Spanish Main, who spent most of their plunder on our shores, where were the nearest civilized ports. This was a great blessing—“a blessed providence”—to our Puritan ancestors, and the coin money economists of those days.

In 1745 we had another blessed influx of silver. Governor Shirley, of Massachusetts, and his pious Puritans, went over and captured Louisburg, Cape Breton, from the French, with fire and sword, and made a big loot. This so tickled Mother Britain that, for once, she sent us a lot of silver to “ransom” Louisburg. This enabled Massachusetts to steal away the trade of Rhode Island.

In 1690 the first issue of paper money was made in Massachusetts. This was before the establishment of the Bank of England. It was for £7,000. In 1703 £15,000 was issued, which was made a legal tender for private debts. In 1716 another issue to the amount of £150,000 was authorized. Mark the style of it, as compared with the wild-cat projects of the present Congress, and see which is the most reasonable and conservative, and then inquire if the Farmers’ Alliance plan is so foolish: “The bills were to be distributed among the different counties of the province, and to be put into the hands of five trustees in each county, to be appointed by the legislature, to be let out on real estate security in the county, in specific sums, for the space of ten years, at five per cent. per annum.” Another act for £50,000 in bills was passed in 1720, “which resulted in clearing Massachusetts of debt in 1773 !”

In 1723 Pennsylvania led a number of States in issuing paper money. In this year a great crisis occurred in England, and the Bank was suspended. The coin of the American colonies was required, and drawn over, in England’s selfish and peremptory way, to prepare the bank for resumption. All coin left Pennsylvania, though the State passed laws raising its value. Then the State issued treasury notes, and kept them in use until 1773, when English jealousy caused Parliament to

make all such issues void. Some of the money was issued, says Adam Smith, on land security of double the value, and redeemed in fifteen years. It was made legal tender and remained at par with coin for forty years. The necessary notes were redeemed, by their payment for taxes, without loss to any one. This is the familiar history of Pennsylvania and the statement of Franklin. The cutting off of this money was the chief cause of the Revolution. The tea-party in Boston Harbor was only a side-show.

Continental money was issued by Congress when we had no government—no power to tax. Yet it made full legal tender, with no mad promise of coin, fifty million dollars might have been enough. Gallatin says: "It saved the country;" Jefferson, "It expired without a groan;" Calhoun, "It is the ghost conjured up by all who wish to give private banks control of government credit." It was used in place of a war tax, and the people so regarded it.

French assignats broke the spell of royal tyranny in Europe. Such is the power of a live nation to use and absorb money that nine billion dollars' worth of it was issued before it broke down. Even then the cause of the tumble was that it had no suitable foundation. It was founded on land taken from the priests, and naturally fell when that land was returned to the churches.

Our Coin for a Century.

We come now to the coin money of the last half of the eighteenth and the first half of the nineteenth century. Through ignorance of it, our silver folks are dismayed by the fact that so little silver was coined here before 1878. The great point to be shown is that we had no need to coin, because so much came from abroad. The way metal money flowed here during the wars between England and Spain reads like a fairy story. The treasures of Mexico and South America passed through here and gave much temporary and flitting coin deposits. Then from the opening of the Napoleonic wars until 1820 the most of Europe, including England, was using paper money. So coin came and stayed here. In fact, coin stayed back in our

Western wilds often when it was scarce in Eastern sections and large cities. Through all smashes and wild-cat times, Western banks paid coin until 1820. Those were good times for planters on new soil. The old Virginia planter, in his blue swallow-tail coat with brass buttons, and his ruffled shirt, always had a pile of doubloons in his desk. He did not know that European war and paper money put it there.

The banks, warned by wild-cat experiences, grasped at all coin as they do now at gold. One bank sucked all there was in North Carolina and owned the State. It was so plenty in the twenties, in New England, that they shipped it to Europe.

A point never to be forgotten by silver men, in answer to the gold man's statement about small coinage of silver, is that from the foundation of the United States money laws were passed giving legal value to foreign coins. Our mistaken ratio of 16 to 1, instead of $15\frac{1}{2}$ to 1, made it generally useless for us to coin silver, when we could have plenty from abroad that was legal tender. One fact alone shows how immensely we were using our own silver and foreign silver and gold—viz., the panic of 1857 was largely due to the demonetization of our small silver and those foreign coins. In 1853 Congress demonetized all silver halves, quarters and dimes in sums of over \$5.00. Much of the reserves of the banks was in these fractional silver coins, which had been full legal tender, and in larger gold and silver coins of the United States and other countries. The silver dollars of Spain, Mexico, South America and the United States were worth a premium over gold, and were bought by the Rothschilds and sent out of the country, though they did big service while they stayed here. But the banks did not hold them as reserves. So the demonetization of our small silver deprived the banks of a large portion of their reserves and of paying their circulation therein.

Up to February, 1857, all foreign gold coins and the silver coins of most nations were, in the United States, full legal tender with our coins at the values fixed by our laws; and gold being, since 1834, overvalued in the United States, immense quantities of these gold coins came here and remained. Another reason why we did not coin silver dollars is found in this

fact: gold was superabundant. These gold coins were also held by the banks as reserves in large quantities.

But on February 21, 1857, Congress demonetized all foreign coins. This took them out of the banks. They went abroad never to return. And this was one chief cause of the panic of 1857. The facts above given, properly circulated, should forever silence the quibbles of the gold men about the non-use and non-coinage of silver up to 1878. From 1861 to 1878 we used but little coin.

The gold men sneeringly ask if we want to go on a 50-cent dollar like Mexico. It is true they have worked their diabolical will on some of those weak nations, where the currency is thrown into horrible confusion thereby, and foreign business is made almost impossible by the rise in the gold dollar to a \$2.00 dollar. They have come near Mexicanizing us in this respect, but have failed as yet. Their plea for the deposits of workmen in savings banks is like the howl the mortgage people are always raising about the poor widows and orphans of the East, to whom the Western farmer should willingly pay high interest. Wise nations legislate for producers, rather than for interest-suckers—male or female.

United States Banks—Wild-Cat and State Banks.

Ever since the Revolution there has been war between Jefferson's treasury notes and the sharp fellows who wish to collect interest on their debts. In the lush wild-cat times bankers did not care whether they made their scoop by showing out bank notes so far that they would hardly ever come back, or lending interest-bearing credit to their neighbors. Now the telegraph, railroad and redemption banks would make hard sledding for State wild-cats.

The United States banks (private) were so mixed with the wild-cats for fifty years—1791 to 1841—that they need describing. The first, in 1791, was got up by Federals who hated treasury notes. But fortunately there was much honesty then, and it was so managed that its notes were like full legal-tender greenbacks. Those were halcyon days. Wild cats were around, but got little game. They made their first big in-

fiation in New England. The Yankees thought they could swing out to any degree when the Anglo-Spanish and the Napoleon wars made coin so plenty here.

There was a great rush of banks between 1811 and 1816, when the second United States Bank came in. It was a fraud from the start, violated its charter and was founded mostly on personal notes. But it swung its twenty years. The great plan of the wild-catters was to get its treasury notes, good as gold, and drawing interest, for their red dogs. Right here let us affirm that, for short, all State bank money may be called wild cats, red dogs and shinplasters. For such it always proves in panic times. The *Chicago Tribune* says that the Democrats are "committed upon both principle and tradition against a federal currency—committed also to State banking." Not so. Jefferson was strong for federal money, *i. e.*, treasury notes. The Whigs were always as much given to wild cats as the Democrats. Again the *Tribune* tells of 34,000 who took the benefit of the bankrupt act in 1841-2-3, but says nothing of the hundreds of thousands who failed between 1873 and 1890, under the crush of Republican gold resumption, without any such release. Intelligent Democrats could show billions of loss from Republican financiering against hundreds of millions under Democracy. Give the poor devil Democrat his due. He makes a clumsy attempt now to cover his rascality in voting against silver bills by all his talk of returning to wild cats. The cheeky Republicans offer no shadow of a real remedy for our financial ills.

To return to the time of the twenties. The new, hopeful country kept having booms in spite of bad money. After the close of the war of 1812-15, "Blessed Peace," said Matthew Carey, "came and brought two thousand merchant buyers to Philadelphia." Fortunes were made. It was funny as a circus. The brokers stuffed the United States treasury full of shinplasters, not good thirty miles from home. Congress said "resume" in 1817. Banks said, "Go to the devil." With twenty-two millions "on hand," Congress had to borrow half a million to keep house on. The big bank was given over to favorites, bribery and corruption, but ruled the land. There was a

whirligig between the branches of the big bank and the little banks. The latter bought, with their red dogs, from the branches, drafts on Eastern cities. The drafts bought European goods. Meanwhile the branches socked it to the wildcatters up to five and ten per cent. a month, till they redeemed their red dogs with the proceeds of another crop.

In 1818 the president of the big bank resigned when it was near ruin. A new president, Cheves, saved the bank, in the Bank of England fashion, by ruining a lot of small banks and merchants. In 1820 came "stay laws" and a "relief system." Men could redeem their lands and negroes in two years by paying ten per cent. down. North Carolina had an awful time. Robber bankers of Newbern became the practical owners of the State, and sucked its blood. Were ruling still in 1833.

In 1825 the great Nick Biddle took the presidency of the bank, and ran the whole country, till knocked out by Jackson. Biddle was the biggest boss yet, moved crops, lent ten millions at a time to the government. Some thought he gave the rising sun a boost. When there was a run, he only allowed his branches to cash their own drafts. In 1832 was high water time for this fine old Philadelphia gent. President Jackson who hated all undemocratic high-kicking, made him pay the government debt from his government deposits. Jackson stopped the abnormal boom in wild lands by his "specie circular," ordering only specie to be taken for United States lands. Then, to check the torrents of extravagance, he ordered the useless thirty-seven millions that he had foolishly put in State banks distributed back to the people of the States. The wildcatters paid eighteen millions, and then all broke, beginning in New York in May, 1837. That was a grand smash. Jackson had a glimpse of the greenback remedy in his muddled head. Jefferson and Calhoun always had it.

Parallel with all this was the Mississippi tomfoolery of 1830 to 1840. That State borrowed thirty millions on the old personal note plan from Holland, and fooled it away in ten years. Slaves were then the only good assets. These were run

off to Texas, and "Gone to Texas" (G. T. T.) was a familiar inscription.

The College Professor and the Facts.

While this essay is intended in a general way to voice the sentiments of the Populists, it is incidentally an answer to the speeches of Prof. Laughlin of Chicago University before the Sunset Club and the Bankers' Association. The Professor's most glaring errors were concerning the greenbacks. He says:

"It seems to me that one of the greatest misfortunes that this country ever suffered was that temporary, and to the present time lasting, intoxication connected with the issue of United States notes or greenbacks. From the foundation of our government in 1789 to February, 1862, the United States government never issued any paper money."

The Chicago *Herald* of December 10 voiced the same falsity thus:

"In fact the government never did anything of the kind until 1862, when Congress authorized an issue of legal-tender notes."

Are these men simply reckless liars, or are they ignorant of the facts? Here are the facts: From 1812 to 1860, U. S. treasury notes were issued at least twenty times; that is, in every time of emergency, when the bankers' wild-cat money could not possibly keep business going. These notes were receivable for all debts due the government, including interest on the public debt and custom-house dues; and that fact made them universally acceptable by the people—better than gold. In these respects they were better than the greenbacks; for never until the infernal exception was put upon them in 1862 did the government refuse to receive its own treasury notes.

Here are most of the dates and amounts of those issues—all by acts of Congress readily traced: June 3, 182, \$5,000,000; February 25, 1813, \$10,000,000; March 4, 1814, \$10,000,000; December 26, 1814, \$25,000,000; February 14, 1815, \$25,000,000; October 12, 1837, \$10,000,000; March 21, 1838, \$10,000,000; May 31, 1840, \$5,000,000; June 30, 1842, \$5,000,000; August 31, 1842, \$6,000,000; July 22, 1846, \$10,000,000; June 28, 1847, \$23,000,000; December 23, 1857, \$20,000,000; December 17, 1860, \$10,000,000.

Is that lie nailed? The above treasury notes were hampered in various ways. The money-lenders persuaded Congress that it would be "contrary to the laws of the Medes and Persians" if the notes drew no interest. So they were generally heavily handicapped in that way. Sometimes they only drew one mill per annum, sometimes nothing. When they drew none the Shylocks at once cried that the country was ruined. They liked them well enough plus interest, because they were sharp enough to get hold of them and pull in the interest, while they managed to cram the U. S. treasury full of their wild-cat stuff.

To thoroughly verify these serious statements, let us look at the statutes under which these issues were made and the particulars of their issue:

Act of June 3, 1812 (Statutes 2, p. 766).—This law authorized the issue of \$5,000,000 treasury notes, to run one year, bearing five and two-fifths per cent. interest. They were made receivable for all debts due the government, and were to be paid to such public creditors and other persons as were willing to receive them. They might also be used to procure loans, or might be placed to the credit of the treasury in banks at par and accrued interest.

Act of February 25, 1813 (Statutes 2, p. 801).—This law authorized the issue of \$10,000,000 treasury notes to mature in one year, bearing five and two-fifths per cent. interest per annum. Terms same as act of June 3, 1812.

Act of March 4, 1814 (Statutes 3, p. 100).—Authorized an issue of \$10,000,000 on same terms as above. No charge to the government was to be made by the banks which credited the notes.

Act of Dec. 26, 1814 (Statutes 3, p. 161).—Authorized the issue of \$25,000,000 treasury notes in place of a loan of \$25,000,000 previously authorized. Ten million of these notes were to be applied to the payment of \$10,000,000 previously borrowed. Otherwise they were like the above.

Act of February 11, 1815 (Statutes 3, p. 213).—This law authorized the issue of \$25,000,000 treasury notes in addition to other issues. Up to this time the Secretaries of the Treas-

ury, Mr. Gallatin and Mr. Crawford, had complained that the treasury notes so far issued were made too large for common circulation, though their standing among the people was good, and the people were desirous of having them. They say treasury notes have taken the place of coin and equalized the exchange throughout the country. To meet the wishes of these Secretaries and of Jefferson and Madison, as well as the people, these \$25,000,000 treasury notes for circulation were authorized and issued. The most of them were required to be less than \$100 in denomination, and to be payable to bearer, while those of \$100 and over were to be made payable to order and to pay by endorsement, and were to bear five and two-fifths per cent. interest. The smaller ones were to bear no interest. They were also, for the first time, made receivable for six per cent. bonds. They were made to circulate as money, and to have the characteristics of coin, but they were not redeemable therein. They were legal tender to the United States. These notes, after being paid into the treasury, were to be reissued.

When these \$25,000,000 treasury notes of small denominations were made to circulate as money, and to bear no interest, the indignation of all the banks in the country was aroused. They saw that if those notes went out among the people, and became the money of the country, there would be an end to the circulation of bank notes. Such was the truth. There was, therefore, a general combination in New England, New York, Delaware and Pennsylvania to kill them off. The old Bank of the United States, chartered in 1791, the charter of which expired and which was not renewed in 1811, was then, as the law allowed, closing up its affairs. The debts of the people to this bank were very large. The bank was pressing for payment. The people presented these treasury notes, which did not bear interest, in payment. The bank, to destroy the credit of the notes, and to force the recharter of a national bank, refused to receive the notes of the government in payment to the bank. As the bank would not receive the notes from the merchants, the merchants were reluctantly compelled to refuse to receive them for debts due and for goods sold.

The New England banks, and those of Delaware, were also deeply involved in this conspiracy to destroy the credit of these treasury notes, as all such are now. The embargo and non-intercourse laws of Jefferson and Madison had destroyed the carrying trade of New England, and had caused a suspension of the New England banks in 1809 and 1810. The people of New England were, therefore, greatly opposed to the war with England. They did all they could to cripple the government in carrying it on. They refused all loans, even of bank notes, and were very hostile to all treasury notes, especially to those intended to take the place of bank notes, as were those of 1815.

By a general combination between State banks, the old national bank bondholders and bullion brokers, these notes of the United States were forced to a discount for a short time. One of the strongest arguments in favor of having all treasury notes made full legal tender is here presented. Had they been legal tender to the people, as well as to the government, all the efforts of the banks and brokers to reject them and reduce their value would have been fruitless. If the legal character were removed from the greenbacks the national banks would at once discredit them today.

Immediately after these efforts of the banks to discredit treasury notes, an application was made to Congress for a charter for another U. S. Bank, which proposed to take from the government, as part of its capital, \$15,000,000 of these same treasury notes, to withdraw them from competition with bank notes. (Just as the rascally conspirators at Washington are now trying to do with 346 million greenbacks.)

Mr. Madison vetoed the bill, principally on account of this provision. But \$28,000,000 of bonds were substituted for treasury notes, as capital of the bank; and by a combination of the Federal party and a few Democrats it was chartered. The charter provided that no other such bank should be chartered by Congress for twenty years. This implied, also, that all treasury notes intended to circulate as money should be withdrawn, and that this bank should furnish all the national paper circulation for twenty years.

For this privilege the bank paid \$1,500,000. This contract

on the part of the government was disgraceful, but, having been made, it had to be carried out; and it was carried out, as the following acts of Congress show:

The Act of March 3, 1817 (Statutes 3, p. 377).—The second Bank of the United States had just gone into operation. Congress was compelled to comply with its part of the contract. It, therefore, passed this law, which repealed all laws authorizing the reissue of the "treasury notes of 1815." But the people had these government notes, and they preferred them to bank notes or coin. They knew that the repeal of the law authorizing their reissue could not affect the value of those then in their hands, for a valuable consideration paid the government. They, therefore, held on to the notes (as our people should now, in spite of Sherman, Cleveland & Co.) Instead of paying them into the treasury, where the law required them to be destroyed, the people held onto them, and used them in business, greatly to the annoyance of the bank and of the Secretary of the Treasury, then a bank man (Mr. Dallas). This officer ordered the collectors of revenue to refuse to receive these notes for duties on imports, supposing that by this means he could injure their credit and force their presentation at the treasury for payment in coin or national bank notes, that they might be canceled. This gave rise to a suit in Boston. A firm presented treasury notes in payment of duties on imports, for which the law creating them provided that they should be received. The government refused to receive them, and brought suit for the duties. The defendants pleaded a tender of treasury notes. The government answered that they were not legal tender. Judge Story, in 1819, heard the case, and decided for the defendants. The decision is that "Treasury notes are legal tender for everything for which the government makes them receivable." This decision is in 2 Mason, pages 1 to 18. This decision, though against the government, was never appealed to the Supreme Court. It, therefore, stood as the law of the land.

The Act of May 3, 1822 (Statutes 3, p. 675).—Treasury notes still remained out among the people, to the annoyance of the bank and the Secretary. The decision of Judge Story raised

instead of depressing them in the estimation of the people, and increased the anxiety of the bank and the Secretary respecting them. The notes did not come to the treasury for destruction. (Just so the people acted when John Sherman tried to make them take 5-20 bonds and give up the greenbacks.) They remained among the people until May 3, 1822, when Congress again came to the rescue of the bank and passed the law of that date which provided that these treasury notes should not be received by any collector of revenue in the United States, and that they should be received and paid at the treasury only. All that came into the treasury were to be destroyed. The people wished to retain these notes; but the bank forced Congress to act against them; and Congress, by destroying their receivability, compelled their surrender by the people. We hear no more of treasury notes thereafter until 1837, when, as usual, the necessities of the government again called them into being.

The Act of October 12, 1837 (Statutes 5, p. 201).—The banks had all suspended, with nearly \$40,000,000 government funds. Not one year before the law had made these banks public depositories, with their promise that they would always pay coin for all liabilities. The government had, in 1835, paid off the last dollar of the national debt. The surplus then in the treasury was near \$40,000,000. This was in the banks. The government had no money to pay ordinary expenses, unless the treasury used suspended bank notes. This Mr. Van Buren, the President, refused to do. He called Congress together to meet the emergency. Its remedy for the emergency was treasury notes (as it should now be), which Jefferson says are the only reliance of a nation. This act of October 12, 1837, provided for the issue of \$10,000,000 treasury notes, in denominations not less than \$50, running one year. The law left the interest which they were to bear discretionary with the President and the Secretary of the Treasury; but in no case was it to exceed six per cent. Congress appeared too timid to make these notes money bearing no interest. The Secretary, knowing that the people needed them as money, complied with the law by making many of them bear one mill interest per annum.

As such they circulated freely as money, and the people were delighted to get and use them. They answered all the purposes of coin, and equalized the exchanges throughout the country. The banks did not, at that time, possess sufficient power to injure them. Men now living remember them and their usefulness, although, imitating the foolishness of the Bank of England, they were never paid out of the treasury but once.

The Act of May 21, 1838 (Statutes 5, p. 228).—This act authorized the reissue of the \$10,000,000 treasury notes issued under the act of 1837, which had been canceled. They should have been used till worn out, and then replaced *ad infinitum*. It has taken time and a great war to open the eyes of the people and Congress to see what Jefferson saw in 1813. And now, again, many are forgetting the facts.

The Act of May 31, 1840 (Statutes 5, p. 370).—This law renews the act of 1837, relating to the issue of treasury notes, and makes the following modifications: 1. That they were to be issued in place of those redeemed; not to exceed in this issue \$5,000,000. 2. They were to be redeemed in less than a year, if the treasury was in a condition to redeem them. 3. When ready to redeem them, the Secretary of the Treasury was to give notice. 4. After due notice, these notes should cease to bear interest, if they remained out. This act was to continue only one year. It is evident that Congress supposed the necessity for issuing treasury notes would soon cease. But it was mistaken. Treasury notes continued to be issued up to 1848.

The Act of July 4, 1840 (Statutes 5, p. 385).—This was the first Independent Treasury act of the days of Van Buren. It had good features, but was badly bungled. The money of the government was to be kept by the government (instead of the banks), in the mints, custom-houses, post-offices and treasury building. The fool part of it was that after January 3, 1843, no payment should be made to the government in anything but gold and silver coin. The banks were suspended. The government was being sustained by treasury notes. But still this law provided that after Jan. 3, 1843, treasury notes should be excluded from the treasury as well as bank notes. An ap-

peal was made to the people in that year's election, upon this law, and Van Buren and his coin payments were knocked out by Harrison with wiser plans.

The Act of July 21, 1841 (Statutes 5, p. 438).—This was among the first Whig acts, and they in turn made fools of themselves. They favored a national bank, but opposed treasury notes. The law provided for the issue of \$12,000,000 six per cent. bonds. The principal purpose was to redeem the good treasury notes of the Democrats. A Pittsburg man was sent to England to sell the bonds. Though the United States had paid its national debt in 1835, the bonds were no go. The Whigs, having failed to found a bank and sell these bonds, were compelled to rely upon the much-despised treasury notes of the Democrats.

The Act of April 15, 1842 (Statutes 5, p. 473), was a final effort to shove the bonds. They were increased to \$17,000,000, the time extended indefinitely up to twenty years. They could be sold at less than par. The rich, strong young nation could not do it, though taxes and duties were pledged for payment. The war was going on between the Whig Congress and sensible President Tyler. The latter advocated the issuing of all the paper as well as metallic money by the government; but Congress wished the money issued by a national bank. The President vetoed the bank bill. Congress, by way of heading him off, passed the act to make treasury notes bear six per cent. interest, to hinder their being used as money.

The Act of June 30, 1842 (Statutes 5, p. 766)—This provided for \$5,000,000 treasury notes to run one year. Interest five per cent. Otherwise like most of the others, as to legal tender, payment to public creditors and placing them in banks.

The Act of Aug. 31, 1842 (Statutes 5, p. 581), shows a lingering hope of selling the bonds. If not successful, the government was to issue \$6,000,000 more of treasury notes (trotting out the despised pack-mule again), which might even be re-issued. What a let-up! Br'er Fox Shylock, he lie low!

The Act of March 3, 1843 (Statutes 5, p. 614), authorizes the issue of new treasury notes to supply the place of those redeemed.

The Act of July 22, 1846 (Statutes 5, p. 39).—The Democrats resumed power in 1845. This act authorizes \$10,000,000 treasury notes in place of those destroyed.

The Act of August 6, 1846 (Statutes 9, p. 59), finally established the independent treasury on a sensible basis. It made all treasury notes and gold and silver coins equal in payment of all debts to the government. This held till 1861, and many of the provisions are still law, but badly enforced, as when our recent Presidents deposited many millions in banks.

The Act of Jan. 28, 1847 (Statutes 9, p. 118), authorized \$23,000,000 (more than \$500,000,000 now) to fight the Mexican war. No interest was fixed. They mostly drew one mill, and the people gladly used them as money.

The Act of Dec. 23, 1857 (Statutes 11, p. 257), provides for \$20,000,000 treasury notes to take the place of coin, the banks having suspended with the coin in their vaults. (Heaven, or something, generally saves the banks.) These were, like most of the previous issues, with nominal interest. The plain people took them gladly.

The Act of Dec. 17, 1860 (Statutes 11, p. 121), provides for \$10,000,000 treasury notes, running one year, at six per cent. The interest was to run and the notes remain out until sixty days after notice of readiness to redeem. Otherwise they had the old provisions.

The Act of Feb. 8, 1861, authorized the issue of treasury notes, or a loan of \$25,000,000 to take up treasury notes.

The Act of March 2, 1861 (Statutes 12, p. 178), provides for a loan of \$10,000,000 to take up treasury notes, and for government expenses. Same old story. If bonds not sold,—then more notes.

This brings us to the act of July 17, 1861, when the gigantic \$250,000,000 of loans and notes came up. The further history is well known. That just given will surprise those who thought treasury notes began with the rebellion.

Safety Fund—Suffolk and Redemption Banks.

As many of the foolish propositions now put forth for “reforming the currency” are only feeble imitations of the Safety

Fund, Suffolk System and Redemption Bank System that arose before the Rebellion, a brief account of them will be given here. In the thirties and forties there were as many so-called systems as there were States. The Suffolk System of Massachusetts, among those first started, alone deserved the name of system. In 1829 that State decreed that no bank should operate unless 50 per cent. of its capital was paid in coin. Notes must not exceed 25 per cent. of the capital. Liabilities, except deposits, must not exceed twice the capital. Such provisions, however, amounted to little, because, much of the loans being simple credits, there was small inducement in the strong banks to overissue notes. As no provision was made for reserves, the coin to set a bank in motion could be bought and sold again right after the organization. The Redemption system, afterward adopted, was much better, but, as will be shown, only a harm in panic times.

The New York banks were placed mostly in New York City and the Hudson River towns. In 1829 the Safety Fund System arose there. It allowed the banks under it to issue notes to twice the amount of their paid-up capital, and loans to twice and a half the amount. Every bank under it had to pay the State Treasurer, annually, one-half of one per cent. upon its share capital—these payments to continue till each bank had a sum equal to three per cent. of its share capital. The amounts so paid were to be held as a common fund for the discharge of notes or other liabilities of any bank of the system.

In 1841 and 1842 eleven of the Safety Fund banks failed, making a loss to the creditors of \$2,588,933. The fund was then \$86,274. The whole amount of the fund to September 30, 1848, was only \$1,876,063. The balance of the loss was provided by the State—which was to be reimbursed by further additions to the fund. That was very nice for the banks. In 1842 the act was so amended that the fund became chargeable only with the losses to the public on the note circulation, just as it is the case with the national banks now.

In 1838 New York founded the "Free Banking System," by which banks could be formed without application to the legislature. These associations were required to deposit with the

State Comptroller United States or State stocks equal to a five per cent. stock; or bonds and mortgages on improved real estate worth twice the sum secured, and equal in amount to their note circulation. The Comptroller issued the notes to them. Up to 1843 twenty-nine of these banks failed—circulation \$1,233,374; nominal value of securities, \$1,555,338. These produced \$953,371, or 74 per cent. of the circulation secured. The law was then amended to exclude all but United States stocks, and those of the State, which must be equal to six per cent.

A wiser provision had been adopted in 1840, requiring all the State banks to redeem their notes, either in New York City, Albany or Troy, at a discount of one-half of one per cent. In 1851 this discount was reduced to one-quarter of one per cent. After 1851 two New York banks started the Redemption System. The notes of such of the country banks as kept deposits with them were returned, the redeeming banks dividing the discounts between themselves and the issuers. This system was useful, as it forced a constant redemption; but see how it worked in 1857.

After 1838 no more Safety Fund banks were chartered, and the system gradually lapsed. But a curious story could be told of how it ran through the West. That region was deluged with "safety" money—all but the safety. In 1846 the new Constitution of New York took from the legislature all power to pass any act granting any special charter for banking purposes; such organizations to be under general laws. After 1850 bank stockholders were to be liable to the amount of their shares for all the debts, and holders of notes to be preferred creditors.

Now for the Redemption Banks in 1857. These banks, useful, in their way, in ordinary times, did harm in that panic. A few years before a new source of profit was suggested to some New York banks. If the redemption that was distributed among the money-brokers could be monopolized by one or two institutions, it would yield a rich revenue; and it could easily be attracted by reducing the rates of redemption so low as to exclude individual competition. The system was based some-

what upon the Suffolk System. Coupled with the payment of interest on country deposits, it had grown into astonishing activity before 1857. It worked admirably as a piece of machinery, with the popular commendation that it restricted the bank currency by enforcing prompt redemption, and saved the merchants a heavy brokerage. It was a great convenience in the first days of the panic, when private capital was withdrawn from the purchase of currency, and when the merchants, but for the redeeming banks, would have been overburdened with unavailable notes.

But the redemption system, like everything else that was susceptible of abuse, was turned aside from its legitimate purpose and made to answer a mischievous end. The low rate at which the bills were taken in New York accelerated their return *in bulk*, as a basis of exchange, or for credit in account. Thus their distinctive character as circulation was in a great measure destroyed. The cheap redemption, so desirable in a common state of the market, became virtually a premium on the currency of New York. The tendency, then, was to take it out of a healthful circulation, and throw it back to its source, whereby it profited nobody so much as the stockholders of the express companies. The country banks might keep their own bills in a perpetual circulation, by exchanging them with each other, and thus creating a trade in them. The same packages were not unfrequently kept unopened in the circuit, and reissued in bulk, as often as they were needed to supply balances.

In a panicky time such redeeming banks must either put more capital into the service or reject the bills. In 1857, in spite of the best management, the currency circuit was kept up; the bills of one bank were paid for the bills of all the others.

Another evil arose from these banks. The credit given to an unsecured currency by their indorsement gave it a wide circulation, to the displacement of bills that were based upon State and United States stocks. It was now seen that this credit had no other basis than a current deposit by the issuing bank, which deposit was in very small proportion to its

outstanding bills; and that the redeeming bank was prompt to the hour in repudiating those bills if the deposit was not maintained. This was a fallacious credit, entirely independent of the separate ability of the issuing banks. The general result was that bills were *likely to fail in transit*, and they would not then be admitted as a deposit, which would involve the rejection of others. And so the row of bricks began to tumble in both directions.

There was no incident of that panic that spread its terrors abroad with such sure and rapid steps as the rejection, by the redemption banks, of bills which they had been accustomed to receive on deposit. If it had been possible to remove all other causes of excitement, that alone would probably, have involved the suspension of specie payments. It filled all the shops of the country with alarm. It created mobs in the savings banks, and pushed forward the panic, by exciting the fears of the multitude.

The Example of France.

Professor Laughlin has the gall, as few of his confreres have, to appeal to "the example of France" after the Prussian war of 1871, in not "interfering with her media of exchange." It is hard to tell whether his statement is based upon impudence or ignorance. She interfered with all the ideas of propriety entertained by his clique in a way that has been secretly their despair ever since. Yet hear his glorification of a scheme that cuts all the ground from under him. He says:

"France borrowed largely, collected large amounts of capital by the creation of her national debt, and, on the other hand, retained her circulating medium in so perfect a condition that the moment the war was over she slipped along smoothly upon the wheels of industrial success and prosperity, without any derangement of her business. And, during that time, she carried through one of the most magnificent schemes of exchange, in the form of the payment of indemnity, that has ever taken place in history. She actually paid that foreign indemnity of the war to Germany practically without deranging the rate of exchange in France."

He don't tell how. Don't tell that she flooded all the avenues of trade with her paper money, and thus made her

goods so plenty and cheap that Germany bought them instead of her own, and was then in turn nearly bankrupted; so that France paid three-quarters of the "milliard" in French goods!

But hear the true story from Wendell Phillips, an all-round, up-to-date reformer, whose motto was, "Act in the living present." When the monopolizers of black men were beaten he turned to face the monopolizers of all men and women. Here is his eloquent picture:

"France has just paid Germany one billion dollars. Her chief cities have been sacked and plundered. Humiliated by defeat, torn by civil dissensions, she laughs, while all the rest of Christendom wade through the mire of bankruptcy. Her ships are full busy, and what little other nations do is in carrying to and fro her manufactures. Her homes are happy, her streets crowded with passing trains laden with goods; all her mills hurrying night and day to get even with her demand upon them. Labor walks rejoicing and capital sleeps easy, fat with its gains. What magician has done this? Paper money. Like the rest of the nations, she ran to its protection during the stress and strain of her German war. Unlike and wiser than the rest of us, she has not hurried back to coin. Wiser than we, she received the paper she offered to others. This honesty has its reward. Her paper is, to-day, more valuable than gold."

Among the great results of this policy were an abundance of gold and silver coming from abroad, until \$1,200,000,000 was found to be in the country.

Lest some may doubt the statement about the Germans only getting a little gold for that indemnity, an extract is here given from "Our Money Wars," p.152:

"Ivan C. Michels says: 'The indemnity from France to Germany, after the war of 1870-71, including interest at five per cent. per annum, amounted to \$1,060,209,015. After crediting France with the value of certain railroads in Alsace and Lorraine, the amount of indemnity due Germany was \$998,172,069 or 4,990,860,349 francs, which was paid by the French government through the Bank of France. At my request the Bank of France furnished to me several years ago the following statement as to the mode of having paid said indemnity:

	Francs.
In bank notes of the Bank of France.....	125,000,000
In French gold coins.....	273,003,050
In French silver coins.....	239,291,875
In German bank notes.....	105,039,045

Bills of exchange drawn in thalers.....	2,485,513,729
Bills drawn on Frankfurt in florins.....	235,128,152
Bills drawn on Hamburg in marksbanco.....	265,216,990
Bills drawn on Berlin in reichsmarks.....	79,072,309
Bills drawn on Amsterdam in florins.....	250,540,821
Bills drawn on Antwerp and Brussels in francs.....	295,704,516
Bills drawn on London in pounds sterling.....	637,349,832
	<hr/>
Total francs.....	4,990,860,349

“The patriotic people of France raised the vast sum by a loan in less than six months from the time the government appealed to them. Germany expected to receive for years to come five per cent. per annum on the indemnity bonds; but the Bank of France, through the French bankers, drew on Germany, England, Scotland and Belgium, and in four months’ time the whole indemnity was paid. Never in the history of the world has this financial transaction been equaled, and I doubt that any other banking institution could have succeeded so well as the Bank of France. Germany expected the payment in gold coin or bullion, having previously and purposely demonetized silver. But the fact remains that actually in gold only 273,003,050 francs, equal to \$54,600,610, was paid by the Bank of France, and that sum only left France, was remelted in Germany, and coined into reichsmarks. England, with her gold standard, had to part with her gold to the amount of 637,348,832 francs, equal to \$127,469,964. Bills of exchange on the German bankers throughout the German empire, especially on Hamburg, Berlin and Frankfurt, came to 3,064,901,180 francs, equal to \$612,986,236, nigh on two-thirds of the whole amount of the indemnity. This magnificent stroke of finance on the part of the Bank of France and the French bankers came near ruining the leading German bankers; and forty-one banking houses throughout the German empire had to suspend temporarily, not being able to honor the drafts made upon them. The extravagance of the German people during the war of 1870-71 brought them into debt to France for luxuries, wines, etc., to an enormous extent; and when the Bank of France purchased bills of exchange from the French bankers, who drew on their German correspondents, a panic ensued, and the Germans suffered more than is generally supposed.’”

The above from Michels shows that he saw but dimly what Phillips saw so plainly, that government paper money, nourishing all industries, gave France that victory. Michels catches a glimpse of the truth when he speaks of luxuries, wines, etc.

To get a clear view of the French financial genius we have to go back to 1818, when Louis Philippe abdicated and the re-

public was founded amid great confusion. The French have an instinct for finance far superior to anything yet shown—by our rulers at least—in England and America. “Paris,” says Victor Hugo, “is the city of the initiative.” It is not afraid to start things. It is not, like Washington and New York, always asking what London would do or think. Taking Louis Blanc’s advice in 1848, it started national work-shops to insure the employment of surplus labor. Those did good for a time, but they were soon perverted and destroyed by a treacherous Jew who got hold of them.

Another new departure was more successful. “Besides its regular financial operations,” says the London *Times* of February 16, 1849, “the Bank of France made vast advances to the city of Paris, to Marseilles, to the Department of the Seine, and to the hospitals, amounting in all to 260,000,000 francs. But even this was not all. To enable the manufacturing interests to weather the storm, at a moment when all sales were interrupted, a decree of the National Assembly had directed warehouses to be opened for the reception of all kinds of goods, and provided that the registered invoices of these goods so deposited should be made negotiable by indorsement. The Bank of France discounted these receipts. In Havre alone 18,000,000 francs was thus advanced upon colonial products, and in Paris 14,000,000 on merchandise. In all 60,000,000 francs was thus made available for all the purposes of trade. Thus the great institution had placed itself, as it were, in direct contact with every interest of the community, from the Minister of the Treasury down to the trader in a distant part. Like a huge hydraulic machine, it employed its colossal powers to pump a fresh stream into the exhausted arteries of trade, to sustain credit and preserve the circulation from complete collapse.”

How like “a grimacing dance of apes” our American way of handling financial crises looks, in comparison with the above.

The Bank of England.

Prof. Laughlin showed the usual gold-bug besotted worship of British finance in this:

“In the Bank of England the first moment of stringency

the rate of discount is raised. That has the effect of preventing all unnecessary loans. The borrower who has good collateral will get the money if he is willing to pay an increased rate. Our system is such that we can loan until we come to the legal limit; and is deficient in that respect, as we cannot loan at a greater discount because of the iniquitous action of the usury laws. You can help a customer by increasing the rate. Just at the moment of the greatest stringency our American system is deficient."

Ordinary decorous language would fail to characterize that infamous statement. The fact is that the British system is utterly brutal. Our "iniquitous usury laws" prevent a man from giving everything he has to the banks in hard times. The British system is that of Jay Gould in his gold corner of 1869. He settled with his debtors by "taking all they had." He was merciful, and forgave them the balance; which is the usual stock exchange style.

In coin-paying eras corrupt governments and Shylocks have debased coins to make them go further. In these credit-mongering times they try to bring their coin basis down to one metal, gold, and clamor for extreme fineness of that, in order to make their inverted pyramid of credit go further and sell dearer. The policy of Great Britain, for instance, has been to make gold, its standard, so dear and inaccessible to the foreigners and the debtor class that they would find the other commodities in the market cheaper than the gold in the market, so that settlements in other commodities would be preferable. The retention of gold in the Bank of England, by raising discounts in panicky times, though murderous ("kindness," says Mr. Laughlin) to individual active business men, is a necessary factor in this piratical scheme, and the fulcrum upon which England derricks into her treasure vaults the plunder of the whole world. Business is made a lottery, turning out dazzling prizes that keep merchants from rebellion. Long-headed American Shylocks hope to see the United States as much more successful in plundering the globe, in this way, as our country is larger than England.

Finally, as to Laughlin, with what bitter scorn this statement from the "closet scholar" will be greeted by the thou-

sands of manufacturers who, during panics, have had to shut their factories for lack of cash "to pay the hands"—though they had all but gilt-edged collateral:

"The monetary function has to do solely with exchanges of goods; it hasn't anything to do with their production."

The Washington "Currency Reformers."

In finishing this bird's-eye view of the financial history of this country, a brief review of the current financial plans can not well be avoided. It may be said of them, in a general way, that no other set of robbers ever before attempted to secure a law guaranteeing them unrestricted right to plunder with unlimited government protection. The out and out black-flag pirates, as represented by Walker, of Massachusetts, have a plan as simple and explicit as a patent medicine. It runs thus: "Retire the greenbacks, kill silver once for all, and let the bankers manage the currency." This obsolete idea, that banks should issue money, is showing all the vim of a death struggle. But a thousand columns of speeches in the *Congressional Globe* on the safety of the national bank system are answered by this solitary fact: In the year 1893, 360 banks west of the Alleghanies, owing \$125,000,000, went to smash, and about a dozen bankers are now in prison or exile, while many more escaped as by fire.

THE BALTIMORE PLAN, which a while ago had the sanction of the Comptroller, Secretary of the Treasury and the President, is, in a word, a scheme for issuing circulating notes by both national and State banks, otherwise than upon the pledge of government bonds as now. The banks are to issue notes upon their own assets, supplemented by a deposit of a certain amount of greenbacks, as a safety and redemption fund. The theory of this plan is that when any special demand for currency arises the banks will make a special issue of notes to supply it; and that as soon as this demand ceases the banks will retire the notes it has called out. Thus the quantity of currency available will, it is assumed, never be either deficient or excessive; and there will never be at any point either a monetary stringency or a monetary plethora.

Were the function of currency exclusively that of facilitating exchanges, such a system (like that for 3-65 interconvertible bonds) might be useful. But currency serves the additional purpose of measuring the price of commodities; and since its relation to those commodities is determined by its volume, any change of its volume changes its value also, and consequently impairs its stability as a measure of prices.

Again, as to the State bank feature of the Baltimore plan, the idea prevails extensively in the agricultural districts of the West and South that the chief business of a bank is to lend money to borrowers. That is why they clamor for the removal of the ten per cent. tax on State banks. An abundance of greenbacks and silver would do away with most of the need of borrowing from banks. That's what's the matter with the banks.

No further mention is needed here of the schemes of Carlisle, Springer, Vest and others. They seem all dead at this writing, and they certainly should be damned. Even the New York *Tribune*, a monopolists' own, says of one of the safety-fund schemes:

"The bankers are to have free issue; and when one fails the government is to collect from the other banks and redeem its currency. But in time of panic the government would not and could not do that."

On the other hand, the New York *Sun*, edited by a man who was a radical socialist in his youth, and now a bitter, hardened, cruel cynic, although lately a greenback paper, is as rabid as the New York *Evening Post* in advocacy of gold and gold only. It says of the latest safety-fund humbug:

"The new bill, like the old one, authorizes an inflation of our paper currency, by at least \$550,000,000, without providing for its redemption in gold, and without any effectual provision for diminishing the volume of outstanding legal tender. Our New York financial magnates, who have put up, this year, \$116,000,000 in gold, to save the treasury from suspending gold payments, ought to bestir themselves in opposition to this latest administration folly, if they would not see all their efforts go for naught and the catastrophe which they have labored to avert rendered inevitable." [!!]

In Chicago we have Lyman Gage's plan. Mr. Gage is a

man of intellect who resembles some of those orthodox clergymen who, by a long course of theological dissipation, *i. e.*, reasoning from false premises, have impaired their naturally fine faculties. Mr. Gage, if we must credit him with sincerity, has come to the same condition by financial dissipation. But his plan is not as vicious as some. To furnish the needed foundation for national bank circulation, he would have the treasury issue \$250,000,000 of $2\frac{1}{2}$ per cent. bonds, for which greenbacks or Sherman notes should be paid. The money paid would not become an asset of the government. It would be canceled, destroyed, burned up. Of his scheme the *Chicago Times* well says:

"Like other bankers, he thinks the chief end to be sought is to relieve the government of the duty of issuing the circulating medium of the country. Upon this point we must note an emphatic disagreement with Mr. Gage, and with the whole school of financiers of which he is a type."

A specimen of the demoralization and danger of the time is seen in a recent statement of Senator Gorman, that he and Quay had settled in their minds that a certain government bond scheme, like that of Gage, in eight items, including some about silver, was about the only proposition that could pass the present Congress. No. 3 among the eight items coolly dismisses the Greenback thus: "The legal tenders to be retired and canceled as the bonds are put out."

On the other hand, the *Chicago Inter Ocean*, which is repenting of some of its financial sins, and remembering what a good greenback paper it was in 1878, says:

"One of the perils of the present financial situation is the disposition shown to reopen the greenback question. It took fifteen years to fight the great battle. Secretary McCulloch attempted to take snap judgment against legal-tender notes, paying them off at a rapid rate. Illinois, through one of its Congressmen, E. C. Ingersoll, stepped in the very first day Congress convened after that paying-off process had begun with a resolution which stopped it. Then began the intriguing of the Eastern bankers to destroy the greenbacks, and when the last decisive conflict occurred Illinois was again in the leadership, G. L. Fort being the especial champion of the greenback cause as against both the contractionists and the expansionists. There was a great victory. For half a gener-

ation the anti-greenbackers have been quiescent. They have come to the front again with this session of Congress. The knock-out received in caucus Monday ought to satisfy them that the greenback is here to stay. There never could be a better money. It is good for its face the world over. In that uttermost end of the earth, China or Japan, the United States legal tender note is good for its face value, and whatever changes are made, that part of our currency should remain intact. Should the current of Congressional events occasion a show of hands in the Republican party on this question no doubt an overwhelming majority would say, as did the Democratic caucus, let the greenbacks alone."

An extraordinary scene in the House between Representatives Hepburn and Hendrix so fairly illustrates the muddled stupidity and impudence of the gold-bugs that it deserves notice here as a sign of the situation. Mr. Hepburn described Mr. Hendrix as a self heralded national banker who came here with oracular utterances to tell the house what to do. Mr. Hepburn said his self-laudation was impaired by the recollection of his speech sixteen months ago, when the same conditions existed. Mr. Hendrix then found the panacea for all financial ills in the repeal of the Sherman silver law.

Before describing this discussion, attention should be called to the fact that the panic of 1893 was immediately brought on by the bankers because Secretary Carlisle undertook to perform about the only good deed he has ventured upon as Secretary, *i. e.*, to pay the Sherman treasury notes according to the letter of the act of July 14, 1890, in silver, *just as France would have done*. Now mark how Hendrix "opened his mouth and put his foot in it" and how finely Hepburn tripped him.

Mr. Hendrix described at some length the process by which the gold was withdrawn by speculators for shipment abroad, and then proceeded to contrast this with the situation in France, where the Bank of France refused to pay, except where actually necessary, more than five per cent. of gold on its demand obligations. These aggressions on our gold reserve must be stopped, and if the pending bill would stop them, afford relief, take the government out of the banking business,

as it has been taken out of the silver business, he would vote for it.

"Does the action of the Bank of France, in refusing to pay more than five per cent. in gold," asked Mr. Hepburn, "impair the credit of that bank?"

"No."

"Then would the credit of the United States be impaired if the United States should exercise its discretion, and redeem the Sherman notes in silver?"

"Yes, I believe it would, at this time," replied Mr. Hendrix.

"Why?"

"Because of the general distrust of the government's ability to pay in gold. One hundred and fifty-nine million dollars of Sherman gold promises[?] to pay cannot be met without gold."

"But the notes are redeemable in coin, not in gold," was Mr. Hepburn's parting shot.

Mr. Hepburn declared that Mr. Hendrix had pointed out unwittingly the remedy for the present evil when he told the House that the great banking houses of Europe exercised their discretion about depleting their gold vaults. "Why will not the Secretary of the Treasury exercise the same discretion?" he asked, amid a round of applause. "The exercise of this discretion did not impair the credit of European banks. Who dared to say that the credit of this country, with 65,000,000 people behind it, and an unlimited taxing power, would be impaired because it refused to kneel at the demands of the Shylocks?"

"Why have not the Republican Secretaries of the Treasury exercised that discretion?" asked Mr. Pence, of Colorado.

"I have not been Secretary of the Treasury," replied Mr. Hepburn hotly. "When I am I will answer. I am as fully convinced, however, as I am that I am alive, that if the Secretary of the Treasury were now to exercise his discretion and pay gold when legitimate redemptions were asked, and refuse it to sharks and speculators, the evils from which we suffer would cease to be."

A broader view is that the prime motive of the Secretary

in exercising his discretion should be the welfare of the government; and gold should be refused where its payment is likely to hurt the treasury.

In the foregoing pages we have attempted to give such a bird's-eye view of American money and finance as would serve as an example and warning for the future. We behold in this short story how our finances were continually run upon the rocks and shoals of a false "political economy," so-called, and how they were occasionally pulled off—though remaining most of the time stuck fast in the most dismal way.

We Populists claim to have a new and true American system of finance, vastly better than anything possessed in Europe, not omitting prosperous and wise France. We sternly demand that the financial quacks and quacksalvers, now making day and night hideous at Washington, step down and out, and let the People's Party pull the country out of the Serbonian bog into which they have plunged it.



"NO RADIANT pearl which crested fortune wears,
 No gems that twinkling hang from beauty's ears,
 Nor the bright stars which night's blue arch adorn,
 Nor rising sun that gilds the eternal morn,
 Shine with such lustre as the tear that breaks,
 For others' woe, down Virtue's manly cheek."



"THE man of law
 Cunningly could he quibble out a flaw,
 And scratch men's scabs to ulcers."



"GREAT parties represent in their beginnings great principles; in their old age, great prejudices."—*Ignatius Donnelly.*



"THERE is in human affairs one order which is the best. That order is not always the one which exists; but it is the order which should exist for the greatest good of humanity. God knows it, and wills it; man's duty is to discover and establish it."—*Emile de Laveleye.*

◆ *"Hugh McCulloch hamstringed the whole nation. His management of the finances, while it enriched him and made him a great London banker, has cost the American people more than the war did."*—WILLIAM D. KELLEY.

THE EIGHT MONEY CONSPIRACIES.

1. **The Exception Clause.** Feb. 25, 1862. In 1861 and 1862 demand treasury notes to the amount of \$60,000,000 were issued by the government and made legal-tender money for all debts, public and private—equal to coin. Wall Street could not gamble in legal-tender paper money; so, as soon as the legal tender act passed the House and was sent to the Senate, the Shylocks placed on the greenback what is known as the "exception clause"—"Except duties on imports and interest on the public debt." This practically demonetized the U. S. treasury note, and cost the producing classes millions of dollars. The greenback "went down," or, more correctly speaking, gold "went up," until \$1 in paper money was valued at only 37 cents when compared with gold. John Sherman said: "We purposely depreciated the greenback, to get sale for our bonds." He was willing to destroy the people's money to appease the greed of gold gamblers at home and abroad.

2. **The National Bank Act.** Feb. 25, 1863. This scheme was introduced in the Senate and advocated by John Sherman in the interest of bondholders and capitalists, just one year after legal-tender notes were authorized by law, and before sufficient time had been given to test their utility. The express object was to have the bank notes supersede the legal tender notes, after the investment of legal tenders in bonds.

"I look upon the national bank, as now recognized by law," says Myers in his "Money, its History and Functions," "as one of the most gigantic schemes for robbing the people ever devised by man. I cannot conceive of a single reason for perpetuating the system one day beyond the time required to settle its affairs. The national banks of this country have cost the people, in thirty years of their existence, over \$6,000,000,000.

The credit which the banker sells at from 7 to 15 per cent. costs him only 1 per cent. on actual circulation; hence it is virtually a present to him. He draws interest on this credit; on what he himself owes. His note is not money, nor is it in any sense a legal tender between man and man. It is simply a 'promise to pay.' The banker *lends his credit*, with which he has supplied himself by gift from the government, and the borrower *pledges his wealth*; the banker being far more secure than the holder of the banker's paper. The banker takes pay for something he does not furnish; for the capital (wealth) is furnished by the borrower. So the banker gets something for nothing, and the borrower pays for that which he never receives."

Banks are run on the deposits, rather than on any capital the banker himself may have. The patrons of the bank furnish the capital, and also the security. The banker lends other people's money to other people; on this he draws interest; he conducts his business on *your* money and *his* credit, which *you* furnish him.

Now, if the government can afford to let the banker have *credit* at 1 per cent. on actual circulation, why can't the treasury supply all the people with legal-tender money at the same rate? Why not issue the money direct to the people and then pay interest into the U. S. treasury, instead of into the coffers of corporate institutions? National banks are expensive luxuries which we don't need. So let the people unite in demanding their abolition at once, and then institute in their stead United States banks, sub-treasuries if you please, backed by all the people, and hence absolutely safe. This would make a government for the *people* instead of for the corporations. Let us do business on the credit of the people—on the credit of the government; not, as we are now doing, on the credit of banks and bankers.

3. The Funding Act. April 12, 1866. Commonly called contraction. This law authorizes the Secretary of the Treasury to retire the legal-tender notes by investing them in 6 per cent. bonds. Contraction continued until some \$1,500,000,000 were destroyed, and a corresponding amount of 6 per cent.

bonds issued. The treasury notes, or legal tenders, were nearly all non-interest-bearing. This reduction of the currency was an outrage upon the people. The volume should have been increased, not diminished, to have kept pace with an increasing population.

4. The Credit Strengthening Act. March 18, 1869. This law provides that the legal-tender treasury notes should be paid in coin, as also all interest-bearing obligations of the government. Prior to the passage of this law, public obligations had been payable *in the lawful money* of the country; the greenback was lawful money, redeemable the same as gold and silver coin, except duties on imports and interest on the public debt. The credit of the nation was good, and needed no strengthening. The war was over and the country was prosperous and the people contented. Why, then, add another burden?

5. An Act Refunding the Public Debt. July 14, 1870. This act authorized the issue and sale of \$1,500,000,000 U. S. bonds, to refund 5-20 bonds, and make them conform to the law of 1860. To fund means to put public obligations into stocks and securities, making them interest-bearing.

The public debt should have been paid, as at first provided, in the lawful currency of the country, gold, silver, and treasury notes. The law of 1869 added \$500,000,000 to the 5-20 bonds, by making them payable in *coin*; then to re-fund the bonds, just to please an English aristocracy, is villainy unnamed and unnamable.

6. The Demonetization of Silver. Feb. 12, 1873. The act of 1869 had made all public obligations payable in coin, gold or silver; while the act of 1873, clandestinely passed, demonetized silver, making the public debt, interest and all, payable in gold coin—a further contraction of the volume of currency.

The silver dollar was created by the Congress of the United States on April 2, 1792, and made the unit of value. It contains $412\frac{1}{2}$ grains of standard silver, nine parts pure silver, one part alloy. At that time the mints of all the principal nations of the world were open to the free coinage of both gold

and silver. That is, all of such metal presented to the mints could be converted into money without any charge except the actual cost of coining. The ratio then was about $15\frac{1}{2}$ to 1, that is, one ounce of gold was equal to $15\frac{1}{2}$ ounces of silver. January 18, 1837, the ratio between gold and silver coins of the United States was changed to 15.988 to 1, commonly referred to as 16 to 1.

Free coinage of silver prevailed in the United States from 1792 until 1873, when, by an act of Congress, silver was demonetized, making all paper currency and government obligations redeemable in gold. The act demonetizing silver was understood by few, and, in fact, many of those who voted for it, and President Grant, who signed the bill, were unaware of its actual meaning and effect. As will be proven by documents and facts submitted elsewhere in this volume, the money speculators of England, backed by cupidity and ignorance on this side, were the real instigators of the act of 1873. There was every reason in the world why England should desire the demonetization of silver here. England is a creditor nation, and her capitalists hold vast amounts in government and other securities abroad. From this country alone the capitalists of Great Britain derive each year more than five hundred millions of dollars for interest on their investments, all of which is paid in gold or its equivalent. The United States produces an enormous quantity of silver, but we very humbly submit to the gold standard as set up by Great Britain. We deny ourselves the right to use a metal of which we have an abundance and adopt one more scarce and, consequently, more expensive. By this policy we are forced to purchase gold abroad, thus adding constantly to the burden of a perpetual, interest-bearing national debt.

By accomplishing the demonetization of silver in this country, England gained a double victory, for the governments of the Latin Union, France, Belgium, Italy, Switzerland and Greece, were soon afterwards forced to suspend silver coinage. The gain to England and the loss to the other countries involved, especially to the United States, by this general demonetization of silver, can hardly be estimated. The loss, of course, was the heaviest in this country, where the production of silver is very

large, where so many are engaged in agricultural pursuits, and where a large and freely circulating volume of money is so essential to commercial activity.

When silver was demonetized, we were under the burden of an enormous national debt, but every dollar of this was payable in silver. The stimulated demand for gold, and, consequently, its increase in value, was not the only gain to England. She now buys our cheap silver bullion, exchanges it at its coinage value for products in the silver-using countries of Asia, Africa and South America, and nets a profit of over one hundred per cent. by the transaction. We then buy from her at gold prices and pay with gold or products at prices which, by forcing us into competition with the world, England fixes herself.

Thus it can be seen that our neighbors in Canada are not any more subject to British rule than our proud republic—and all because we have discarded our own metal, silver, and submitted humbly to the golden calf of England.

7. The Resumption of Specie Payment. January 14, 1875. This law provided for the retirement of the fractional currency (45 millions) and the legal-tender treasury notes; their place to be supplied by national bank notes, which are not a legal-tender between man and man. The name "specie payment" is simply a blind; it does not mean anything; to get rid of the much despised greenback was the real object of the act. The moneyed aristocracy had long ago confessed their inability to "control" the "greenback as it is called." Had the provisions of this law been carried out, it would have added to our annual interest charge about twenty millions of dollars.

8. The Sherman Purchasing Clause. July 14, 1890. This act was a miserable makeshift or substitute for a free coinage bill. It provided for the purchase of not less than 2,000,000 nor more than 4,500,000 ounces of silver bullion per month, 2,000,000 ounces of which was to be coined each month into silver dollars until July 1, 1891. Instead of redeeming the treasury notes issued in the purchase of silver with their equivalent in silver, upon the demand of the holder, the Secre-

tary of the Treasury was required to redeem these notes in gold or silver coin at his discretion. The legal-tender power of the silver dollar was modified so as to read: "except otherwise expressly stipulated in the contract." In 1893 President Cleveland called Congress together in extraordinary session to consider the financial condition of the country. November 1, 1893, the Sherman law was repealed, leaving us on a single gold basis.



Modern Reformers.

The world has had reformers, men who were sternly just,
Who smote the thrones of wickedness and laid them in the
dust;

Meek, tender men, made mighty by mankind's blood and
tears,

Strong men whose words were thunderbolts to smite the
wrong of years.

Were all these stern reformers of a breed too weak to last?
Did all the great wrong-smiters wane and perish in the past?
Did they fight a losing battle? Were they conquered in the
fray?

Why are there no reformers fighting in the world today?
Well, 'tis but a thing of labels; the reformers have not gone,
But they're mixing with the people with misleading placards
on;

For we placard them "fanatics," "visionaries," "cranks,"
and "fools,"—

Men denounced by clubs and churches, by the journals and
the schools.

There are men who wear these placards daily in the market
place,

Heroes of the ancient lineage, kings and saviors of the race;
And we do not see their greatness through life's trivial
events,

But our children's sons will read it on their granite monu-
ments.

—*Sam Walter Foss.*



"AND our flag was newly woven, every stripe and every star,
With the cannon balls for shuttles, in the roaring loom of
war;

And our gallant weavers dyed it with their manhood in each
hue —

Red for courage, white for honor, and for faithfulness the
blue."

—*Howard S. Taylor.*

“When I stand in the United States Treasury I stand on English soil.”—NATHANIEL P. BANKS.

THE DOCUMENTARY EVIDENCE.

THAT the pernicious financial legislation of the United States was not due merely to ignorance, but was the result of a most damnable conspiracy, aided by venality and corruption, is proven by the documents which follow. The reader is asked to read them carefully. Trace the winding trail of the serpent and behold its glittering golden head.

First comes the famous Hazzard circular. This was issued by an agent of the London capitalists to New York capitalists in 1862. It was first given to the general public on Sept. 18, 1886, by the Council Grove (Kas.) *Guard*, being reprinted from a copy taken from the letter files of the First National Bank of Council Grove:

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 of the laborer, while the European plan, led on by England, is capital control of labor by controlling 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 measure to control the volume of money; to accomplish this the bonds must be used as a banking basis. We are now waiting to get the Secretary of the Treasury to make this recommendation to Congress. It will not do to allow the “greenback,” as it is called, to circulate as money any length of time, for we cannot control them, but we can control the bonds, and through them the bank issue.

CHAS. HAZZARD.

HAZZARD WAS HERE.

STATE OF INDIANA, }
County of Posey, } ss.

James G. Nisbett, being duly sworn deposes and says: I am seventy-three years of age and live in Posey County, Indiana, where I have resided for sixty-five years. In 1861 I and Sheridan Anderson, who is now dead, of the same county, enlisted in the service of the United States Army, Sixtieth Regi-

ment and Company C of the Indiana Infantry. In July, 1862, our command joined the forces of General Dumont at Lebanon, Ky. About the twenty-fifth of the same month Mr. Anderson and myself were detailed as guards and placed on police duty on Main Street. In passing near the General's headquarters we were hailed and ordered to "shadow" a party of three persons—one woman and two men—who were then passing on the opposite side of the street, find out their business and report. We learned that one man and the woman were Kentuckians and the other man was an Englishman. We had considerable conversation with the Englishman who gave his name as Chas. Hazzard. He said he had recently come from England to confer with the business men of this country in a financial scheme. We told him that he was lucky in striking a very large body of very busy men, and as representatives of headquarters we desired tangible information of his business that we might report it to the authorities. In response to this he took one of a small package of envelopes and gave it to Mr. Anderson, saying its contents would explain the business and allay any suspicions that might have arisen regarding him. This occurred in the post office, and we then reported the matter to General Dumont at headquarters, giving him the circular in the presence of several officers who happened to be present at the time. An exact copy of that document was kept by us, and the following is a correct reading of the same.

[Here follows the circular printed above.]

JAMES G. NISBETT.

Subscribed and sworn to before me this 29th day of May, 1894.

JOHN B. SMITH,

Notary Public.

(SEAL)

Bribing the Law-Makers.

The following shows how the crime of 1873 was paid for by British gold:

STATE OF COLORADO, }
County of Arapahoe. } ss.

Frederick A. Luckenbach, being first sworn, on oath deposes and says: "I am sixty-two years of age. I was born in Bucks County, Pennsylvania. I removed to the city of Philadelphia in the year of 1846, and continued to reside there until 1866, when I removed to the city of New York. In Philadelphia I was in the furniture business. In New York I branched into machinery and inventions, and am the patentee of Luckenbach's pneumatic pulverizer, which machines are now in use generally in the eastern part of the United States and Europe. I now reside in Denver, having removed from New York two

years ago. I am well known in New York. I have been a member of the Produce Exchange and am well acquainted with many members of that body. I am well known by Mr. Erastus Wiman. In the year of 1865 I visited London, England, for the purpose of placing there Pennsylvania oil properties in which I was interested. I took with me letters of introduction to many gentlemen in London, among them one to Mr. Ernest Seyd, from Robert M. Foust, ex-Treasurer of Philadelphia. I became well acquainted with Mr. Seyd and also with his brother, Richard Seyd, who, I understand, is yet living. I visited London thereafter every year, and at each visit renewed my acquaintance with Mr. Seyd and upon each occasion became his guest one or more times, joining his family at dinner or other meals. In February, 1874, while on one of these visits and while his guest at dinner, I, among other things, alluded to rumors afloat of Parliamentary corruption and expressed astonishment that such corruption should exist. In reply to this, he told me he could relate facts about corruption of the American Congress that would place it far ahead of the English Parliament in that line.

So far the conversation was at the dinner table between us. His brother Richard and others were there also, but this was table talk between Mr. Ernest Seyd and myself. After the dinner had ended he invited me to another room, where he resumed the conversation about legislative corruption. He said: "If you will pledge me your honor as a gentleman not to divulge what I am about to tell you while I live, I will convince you that what I said about the American Congress is true." I gave him my promise, and he then continued: "I went to America in the winter of 1872-3, authorized to secure, if I could, the passage of a bill demonetizing silver. It was to the interests of those whom I represent—the Governors of the Bank of England—to have it done. I took with me £100,000 with instructions, if that was not sufficient to accomplish the object, to draw for another £100,000 or as much more as was necessary." He told me German bankers were also interested in having it accomplished. He said he was the financial adviser of the bank. He said: "I saw the committees of the House and Senate and paid the money and staid in America until I knew the measure was safe."

I asked if he would give the names of the members to whom he paid the money, but this he declined to do. He said: "Your people will not now comprehend the far-reaching extent of that measure, but they will in after years. Whatever you may think of corruption in the English Parliament, I assure you I would not have dared to make such an attempt here as I did in your country."

I expressed my shame to him for my countrymen in our

legislative bodies. The conversation drifted into other subjects, and after that, though I met him many times, the matter was never again referred to.

FREDERICK LUCKENBACH.

Subscribed and sworn to before me at Denver, Colo., this 6th day of May, A. D. 1892.

(Signed)

JAMES A. MILLER,
Clerk Supreme Court, State of Colorado.

Bribing the Press.

The following is taken from the Chicago *Inter Ocean* of October 29, 1877, and reproduced exactly as found in the bound files of that newspaper:

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

“AMERICAN BANKERS’ ASSOCIATION, }
247 Broadway, Room 4, }
NEW YORK, Oct. 9, 1877. } ”

“Strictly Private.

“DEAR SIR: Please insert the enclosed 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, JAS. BUEL, Sec’y.

“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 affrontery 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 put in type we have received a copy of the New York *Sun* containing the above circular, which it appears was sent 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 one 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 the 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:

"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 those clamorous for money that is based on nothing."

The Banks' Circular.

The following circular was sent out in 1878 by the bankers of New York to the national banks:

NEW YORK, Oct. 9, 1878.

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 Extra Session Letter.

The following is reprinted from an original copy of the letter in possession of Mr. George C. Ward:

THE AMERICAN BANKERS' ASSOCIATION.
No. 2 WALL ST. AND 90-94 BROADWAY, ROOM No. 44.
NEW YORK, August 19, 1893. }

To the Bankers of the United States.

Gentlemen: The extraordinary monetary crisis through which the United States are 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 appreciation 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 interest 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.



“TAXES ought, of course, to be paid; but there are many ways of collecting taxes without robbing a man of his home. for a few dollars. The home should be sacred. Strictly it should pay no taxes. It is the spot of land on which God places a family. It should be walled in against the selfishness and cruelty of mankind; and the very lightnings of heaven should play around it to defend it; even as the fiery sword, turning every way, guarded the gate of Paradise.”—*Ignatius Donnelly.*

“The time has come when the railroad corporations will either own the people, or the people must own the railroads. * * * The Government should own and operate the railroads in the interest of the people.”—*Omaha Platform.*

THE TRANSPORTATION PROBLEM.

ATKINSON estimates that into the cost of every article enters an average of eight per cent. for transportation. This alone would make the railroad problem a most important one. But many other considerations combine to add to the momentum with which the subject is forcing itself upon the attention of the American people. The abuses which have crept into railroad management in this country, long tolerated by the people and unchecked and even encouraged by public officers, have now assumed such proportions as to threaten the very foundation of free government.

In his famous work, “The Railroad Question,” which every American voter who wishes to be well informed should read Hon. William Larrabee, the great railroad Governor of Iowa, says:

“Great discoveries that add rapidly to the wealth of a country tend to overthrow a settled condition of things, and organized capital and labor, if not restrained by wholesome laws and public watchfulness, will ever take advantage of the unorganized masses. The people of those regions which the railroad stimulus had caused to be settled thrived for years so well upon a virgin soil that they gladly divided their surplus with the railroad companies. They looked upon the railroads as the source of their prosperity and upon railroad managers as high-minded philanthropists and public benefactors, with whom to quarrel would be an act of sordid ingratitude, and they paid but little attention to the means employed by them to exact an undue share of their earnings. Railroad men did whatever they could to foster through their emissaries this misplaced adoration. They posed before the public as the rightful heirs of the laurels of Watt and Stephenson, insisting that their genius, capital and enterprise had built up vast cities and opened for settlement and civilization the boundless prairies of the West. These claims have been persistently repeated by railroad men, though they are so preposterous that

they scarcely deserve refutation. The railroad, gradually developed by active minds of the past, and greatly improved by the inventions of hundreds of men in the humbler walks of life, is the common inheritance of all mankind, though no class of people have derived greater benefits from it than railroad constructors, managers and manipulators. Railroad managers are no more entitled to the special gratitude of the public for dispensing railroad transportation at much more than remunerative rates than is the Western Union monopoly for maintaining among us an expensive and inefficient telegraph service. No one believes that the disbanding of the Western Union would leave us long without telegraphic communication. In like manner railroads will be built whenever and wherever they promise to be profitable. If one company does not take advantage of the opportunities offered, another will. That large cities have been built up by the railroads is true, but it is equally true that these cities by their commerce and manufactures administer to the prosperity of the railroads as much as the railroads administer to theirs. Commercial centers in days gone by existed without railroads, but railroads could not long exist without the stimulating influence of these busy marts of trade. The same argument applies with still greater force to the agricultural sections of our country, especially the great Northwest. The dry-goods merchant might as well boast of having clad the public as the railroad manager of having built up farming communities by selling to them transportation.

"And yet the American people have never ceased to be mindful of the conveniences afforded to them by this modern mode of transportation. On the contrary, they have been but too prone to credit railroad men with being benefactors, when they were but beneficiaries, and this liberality of spirit made them overlook, or at least tolerate, the abuses which grew proportionately with the wealth and power of the companies.

"The first railroad acts of England had contemplated to make the roads highways, like turnpikes and canals. These roads were established by the power of eminent domain. Companies were empowered to build and maintain them and to reimburse themselves by the collection of fixed tolls. Had the owners of the roads from the beginning been deprived of the privilege of becoming carriers over their own lines, the system might have so adjusted itself as to become entirely practicable; but as they were allowed to compete with other carriers in the transportation of passengers and merchandise, they were soon able to demonstrate, at least to the satisfaction of Parliament, that the use of the track by different carriers was impracticable and unsafe. A number of circumstances combined to aid the railroads in their efforts to monopolize the trade on their lines.

In the first place, when the early railroad charters were granted, but few persons had any conception of the enormous growth of commerce which was destined to follow everywhere the introduction of railways. The tolls as fixed in the charter soon yielded an income out of proportion to the cost of the construction and maintenance of the roads. Their large margin of profit enabled the owners of the roads to transport goods at lower rates than other carriers and to thus compel the latter to abandon their business. Another defect of the original charters worked greatly to the disadvantage of independent carriers. They contained no provision as to the use of terminal facilities. The railroad companies claimed that these facilities were not affected by the public franchise and were therefore their personal property. This placed independent carriers at a great disadvantage and made in itself competition on a large scale impossible. These carriers were thus at the mercy of the railroad companies for the transportation of their cars, and the companies never permitted their business to become lucrative enough to induce many to engage in it. It soon became apparent that under the charters granted to the railroad companies such competition as existed on turnpikes and canals was out of the question on their roads. In England the great abundance of water-ways exercised for many years a wholesome control over the rates of railway companies, until these companies, greatly annoyed by such restraint, absorbed many of the larger canals by purchase and made them tributary to their systems. These companies have also acquired complete control over many harbors.

"In the United States the people depended from the beginning of the railroad era on free competition for the regulation of railroad charges. This desire to maintain free competition led to the adoption of general incorporation acts, it being generally believed that such competition as obtains between merchants, manufacturers and mechanics was possible among railroads and would, when allowed to be operative, regulate prices and prevent abuses. The remedy was applied freely throughout the country, but for once it did not prove successful. Stephenson's saying, that where combination was possible, competition was impossible, was here fully verified. The great ingenuity of the class of men usually engaged in railroad enterprises succeeded in thwarting this policy of commercial freedom. The opportunities for those in control of railroads to operate them in their own interest regardless of the interests of their patrons and stockholders were so great that men of a speculative turn of mind were attracted to this business, which soon proved a most productive field for them. One road after another fell into the control of men who had learned rapidly the methods employed to make large fortunes in a short time."

On the subject of watered railroad stocks, Gov. Larrabee says:

"It is a notorious fact that the stock of a large number of railroad companies represents little or no value, having either been sold at a mere nominal price or been donated as a premium or bonus to those who purchased a large amount of the company's bonds. In recommending, in his December, 1891, annual message, government aid for the Nacaragua Canal, President Harrison said: 'But if its bonds are to be marketed at heavy discounts and every bond sold is to be accompanied by a gift of stock, as has come to be expected by investors in such enterprises, the traffic will be seriously burdened to pay interest and dividends.' It is not difficult to surmise to what enterprises the President referred. It has for many years been a well-settled principle among railroad incorporators that no larger assessments should be made upon the stockholders than is necessary to float the company's bonds. A company, for instance, is organized with a capital stock of, say, \$1,000,000. Five per cent. of this sum, or \$50,000, is paid in to defray preliminary expenses. The road is then bonded for perhaps \$2,000,000, but as the bonds are sold for only 80 per cent. of their face value and as the incorporators allow themselves five per cent. for the negotiation of bonds, only \$1,500,000 is realized for the construction of the road. The incorporators now vote to themselves a contract to construct the road for \$1,500,000 and at once sublet it to a contractor who is ready and anxious to build the road for \$1,200,000. The incorporators thus realize \$1,000,000 worth of stock, a portion of which is unloaded upon unsophisticated investors, and \$300,000 in cash, at an outlay of \$50,000; and the road, which cost \$1,200,000, is made to pay interest and dividends on a total capital of \$3,000,000, and this is subsequently watered indefinitely if the road proves profitable or a consolidation with some other road justifies the belief that its earning capacity might be increased. Nor is this an overdrawn picture. On the contrary, instances might be cited where only one-half of one per cent. of the company's stock was paid in by the shareholders."

Space does not permit here to go fully into the subject of railroad abuses. The reader is referred to the chapter headed "A New Study of Political Economy" for further information, and those who wish to inform themselves fully on all phases of the vast subject should read carefully Gov. Larrabee's book. That the system of railroad corporations as now existing has been the source of the gravest evils is everywhere apparent. The case of the Camden and Amboy Railroad as related by Gov.

Larrabee is a startling instance of corporate corruption. There never was a more flagrant case of public robbery than that of the Union Pacific roads. The great Standard Oil monopoly would have been impossible but for the power and tendency of the railroads to kill competition. Perhaps no other factor has been so powerful in bringing about that concentration of wealth which is undermining the foundations of our republic.



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