

The Center for Research Libraries scans to provide digital delivery of its holdings. In some cases problems with the quality of the original document or microfilm reproduction may result in a lower quality scan, but it will be legible. In some cases pages may be damaged or missing. Files include OCR (machine searchable text) when the quality of the scan and the language or format of the text allows.

If preferred, you may request a loan by contacting Center for Research Libraries through your Interlibrary Loan Office.

Rights and usage

Materials digitized by the Center for Research Libraries are intended for the personal educational and research use of students, scholars, and other researchers of the CRL member community. Copyrighted images and texts are not to be reproduced, displayed, distributed, broadcast, or downloaded for other purposes without the expressed, written permission of the copyright owner.

Center for Research Libraries

Scan Date: March 02, 2012

Identifier: s-n-000059-n16

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Texas Labor Journal (San Antonio) moralizes:

How strange it is that many who profess to be good are opposed to reform; who pray for the eternal happiness of men, are opposed to the establishment of such conditions as will make them temporarily happy. Their actions can only be attributed to one of two things. They are either ignorant of the effects of social conditions, or are a lot of hypocritical pretenders.

A farmer writes to the Alliance Sentinel (Lansing, Mich.).

Money, transportation and the transmission of intelligence. These are three great instruments of commerce, and without them or any one of them, commerce as understood in modern times were impossible. Yet the associated banks control the currency of the country. Private companies control transportation, and J. Gould manipulates the transmission of intelligence. Whatever power controls the instruments of commerce, controls commerce, and commerce is the life of every nation. Therefore, the very life of this nation is placed at the tender mercy of organized capital.

The Kansas Commoner (Newton) wants a moderate homestead exempt from taxation and process for all debt, and states its premises:

The family is the foundation of a well regulated State, and the security of the family is in the ownership of a home. Without this men finally come to care very little for the State or the form of its government. And as the State must depend upon the character of its citizens so citizens must depend upon the character of their homes. These homes must be free.

So far as those papers which visit THE ECONOMIST from Kansas are indicative, there has been little change of position toward Mr. Ingalls' candidacy for re-election. The Kansas Farmer (Topeka) says:

Senator Ingall's having declined to answer our questions, the Kansas Farmer will not support his claims for re-election, but, on the contrary, will support the claims of any other competent man upon whom the opposition shall unite.

The Labor Advocate (Birmingham, Ala.) says:

Precious time is being fooled away at Washington. It ought not to have taken a day to pass a bill to place silver on the same plane with gold. It ought not to have taken a day to pass a bill to lift the mortgages from the Western farmers by an advance of lawful money from the federal treasury at 1 per cent.

The Kingman (Kan.) Journal says:

The head and front of the money power, thoroughly organized in every State and territory and having its headquarters in Wall street, is the association of national banks, which by means of a telegram sent from New York, can and does regulate the prices upon labor, its products and the property of every citizen of the country.

The Meade County Times (Melford, Dak.) says:

It is entirely too late in the day for party organs to try to keep the farmer's nose longer upon the grindstone by raising the howl of danger to party. The farmers begin to see that they served party and monopoly and bankers and trusts and boddiers long enough, and they began to think it about time to look after their own interests. The party henchmen on both sides are struck with consternation at the Alliance movement because they know it bodes no good to them.

The Advocate (Topeka, Kan.) discusses the question of political methods, and noting an attack upon State President Clover, who is also national vice president, charging him Senatorial aspirations, says:

The sinfulness of office-seeking by members of the Alliance makes the average editor of the partisan press weep great alligator tears. Professional politicians can alone indulge in this amusement as an innocent pastime. * * * The Farmers Alliance has long ago promulgated its platform. It was adopted at the supreme council at St. Louis in De-

cember last, and has been ratified by every State, county, and sub-alliance in the country, both North and South. The adoption of this platform is not mere child's play. The men who have ratified it will stand by it, unless they can be shown by solid argument and an irresistible array of facts that the demands they have made are not based upon sound principles. Sarcasm and ridicule will not change the opinion of a single man. The brass band and the flambeau will have no effect. The issue presented must be fairly and logically met. The appeal this year must be to reason and not to passion, or to prejudice. We propose to base our claims upon the soundness of our principles, and the good character of our candidates; and if we show that the public record of opposing candidates exhibits an identification with interests in direct antagonism with our own, we have a right to demand that the facts and arguments we present be neither ignored or ridiculed, but met with the spirit and frankness of honest men seeking, not simply the triumph of a party, but the best interests of the people.

The Alliance Farmer (Selma, Fla.) questions:

What claim has any politician upon the farmers? None! none whatever. What has any politician ever done to benefit the farmer? Nothing! nothing!! nothing whatever. What has the politician done to injure the farmer? He has made all laws to benefit the rich few at the expense of the poor toiling many.

The Liberty Banner (Nogal, N. M.) publishes a letter from J. N. Coe, from which is extracted the following:

All reform workers have agreed as to where the shoe pinches most. It is surely the money question, although both old parties have carefully avoided making it an issue for the very simple reason that a system that could not stand for a moment without special laws to prop it up, would not answer for a political issue. The banking system would not answer as an issue to make farmers oppose each other at the polls. The tariff will stand more cussing and discussing.

The Toiler (Nashville, Tenn.) says:

The movement to establish a Farmers and Laborers Exchange at Chattanooga by the counties interested, is a good and wise step. Chattanooga possesses many advantages for a great trade center of our order that ought to be utilized. Chattanooga is a rapidly growing city and has shipping facilities over competing lines superior to any in the State, Memphis excepted.

The Alliance Motor (Broken Bow, Neb.) says:

If we sow national bankers, we may expect to reap national bank legislation; if railroad attorneys, we may expect to reap railroad legislation; if farmers, legislation favorable to the farmer.

The Junction City (Kan.) Tribune is thoroughly practical in reform:

As to the United States Senatorship, the most proper and the most available man to succeed John J. Ingalls, is ex-Senator James M. Harvey. This would be progress in the right direction, and both an advantage and credit to our great State. Governor Harvey's experience in this line, and all his worldly interests, mark him emphatically as the farmers' candidate to succeed John J. Ingalls. With Anderson in the House and Harvey in the Senate, the people of Kansas could speak of their delegation in Congress with a pride never felt before.

The People's Signal (Marlin, Tex.) says:

The people of Kansas and all through the West and Northwest are fully aroused to the fact that the great question to be solved by the American people is not the negro problem but the money question. When they see their wives and children turned out homeless upon the cold and relentless charity of the world to gratify the inordinate avarice of a foreign aristocracy, the negro problem sinks into insignificance, from the fact, as the Hazard Circular says, slavery is slavery, be it white or black.

Iowa Tribune (Des Moines, Iowa); they will all be back soon making excuses:

The Fifty-first Congress has now been in session for nearly six months, and yet no relief has come for a debt-ridden and poverty-cursed people. How these recreant public servants can have the temerity to show their faces among their constituents the coming fall is more than we can comprehend.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 12.

THE NATIONAL ECONOMIST

SATURDAY, JUNE 7, 1890.

TABLE OF CONTENTS.

	Page.
WISE PARTISANISM	177
INDORSED BY THE COLORED FARMERS (Superintendent R. M. Humphrey before the Senate Committee on Agriculture and Forestry)	186
MR. WINDOM AND THE CIRCULATION	181
RAILWAYS, THEIR USES AND ABUSES (No. 55)	By James F. Hudson 179
NUTS FOR MR. INGALLS TO CRACK	By Ralph Beaumont 183
THE MARYLAND EXPERIMENTAL STATION	By Dr. M. G. Elzey 183
PROGRESS OF THE ALLIANCE	179

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

Lecturer Ben Terrell's Appointments.

Ben Terrell, National Lecturer, will visit the following States on the dates given, and remain for the time specified:

Dakota, May 23d to June 10th.
Wisconsin, June 12th to June 17th.
Missouri, June 19th to July 10th.
Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

SOUTH DAKOTA.

Monday, June 9, Mitchell, 11 a.m.
Tuesday, June 10, Yankton, 1 p.m.

INDIAN TERRITORY.

Pauls Valley, July 22.
Dougherty, July 24.
Colbert, July 26.
Caddo, July 28.
Eufala, 2 p.m., July 30.

WANTED.

A good, live, Alliance man in each county to act as Agent for The National Economist Almanac, to push its sale. A good commission will be allowed. Address.

THE NATIONAL ECONOMIST,
Washington, D. C.

OFFICIAL DIRECTORY OF THE

NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

L. L. Polk, President, North Carolina.
B. H. Clover, Vice President, Kansas.
J. H. Turner, Secretary, Georgia.
W. H. Hickman, Treasurer, Missouri.
Ben. Terrell, Lecturer, Texas.

Executive Board—C. W. Macune, Chairman; A. Wardall, J. F. Tillman. Judiciary Department—R. C. Patty, Chairman; Isaac McCracken, and Evan Jones.

Legislative Committee—C. W. Macune and A. Wardall.

The President, Secretary, and Chairman of Executive Board are located at 511 Ninth Street N. W., Washington, D. C.

ALABAMA.

President—S. M. Adams, Randolph.
Secretary—J. P. Oliver, Dadeville.

ARKANSAS STATE UNION.

President—John P. Russ, El Paso.
Secretary—R. H. Morehead, Hazen.

ARKANSAS STATE ALLIANCE.

President—Paul T. Davidson, Holly.
Secretary—W. B. W. Heartsill, Greenwood.

COLORADO.

President—J. H. Brammier, Burlington.
Secretary—W. S. Starr, Hoehne.

SOUTH DAKOTA.

President—H. L. Loucks, Clear Lake.
Secretary—Mrs. Sophia M. Harden, Woonsocket.

FLORIDA.

President—R. F. Rogers, Little River.
Secretary—A. P. Basquin, Anthony.

GEORGIA.

President—L. F. Livingston, Cora.
Secretary—R. L. Burks, Atlanta.

INDIANA.
President—Thomas W. Force, Shoals.
Secretary—W. W. Prigg, Middletown.

INDIAN TERRITORY.
President—H. C. Randolph, Purcell.
Secretary—Lyman Friend, Purcell.

KANSAS.

President—B. H. Clover, Cambridge.
Secretary—J. B. French, Hutchinson.

KENTUCKY.

President—S. B. Erwin, Bowling Green.
Secretary—B. F. Davis, Ezel.

LOUISIANA.

President—T. S. Adams, Clinton.
Secretary—J. W. McFarland, Homer.

MISSOURI.

President—H. W. Hickman, Puxico.
Secretary—J. W. Rogers, Puxico.

MARYLAND.

President—Hugh Mitchell, Port Tobacco.
Secretary—T. Canfield Jenkins, Poponkey.

MISSISSIPPI.

President—R. C. Patty, Macon.
Secretary—C. T. Smithson, Newport.

NORTH CAROLINA.

President—Elias Carr, Old Sparta.
Secretary—E. C. Beddingfield, Raleigh.

SOUTH CAROLINA.

President—E. T. Stackhouse, Little Rock.
Secretary—J. W. Reid, Reidville.

TENNESSEE.

President—J. P. Buchanan, Murfreesboro.
Secretary—E. B. Wade, Murfreesboro.

TEXAS.

President—J. D. Fields, Manor.
Secretary—S. O. Daws, Springtown.

VIRGINIA.

President—G. T. Barbee, Bridgewater.
Secretary—J. Silvey, Amisville.

NEW MEXICO.

President—J. N. Coe, Lincoln.
Secretary—W. L. Breece, Nogal.

THE facts, statistics, and general information contained in The National Economist Almanac will never go out of date. Although that book is called an Almanac, it is really a hand-book of valuable information.

PREMIUMS FOR CLUBS.

THE NATIONAL ECONOMIST is now prepared to offer any one of the following articles as premiums, to be sent postage paid from this office, for clubs of subscribers at one dollar per annum:

CLUBS OF TWO.

THE NATIONAL ECONOMIST ALMANAC for 1890, to be mailed after December 15. A hand book of facts valuable for farmers and laborers.

CLUBS OF FIVE.

One copy of "Plutocracy; or, American White Slavery," by Hon. Thomas M. Norwood, of Georgia, bound in paper.

One copy of "Philosophy of Price," by N. A. Dunning, bound in paper.

CLUBS OF SIX.

A copy of Volume I of THE NATIONAL ECONOMIST, neatly bound in strong paper.

CLUBS OF TEN.

One copy of Dunning's "Philosophy of Price," in cloth.

One year's subscription to THE NATIONAL ECONOMIST.

CLUBS OF FIFTEEN.

One copy of "History of the Wheel and the Alliance, and The Impending Revolution," by W. S. Morgan.

To secure either of these club premiums it is not necessary to send all of the names at once, but notice of intention to claim the premium should accompany the first order.

Holton Stock Farm,
ROB'T E. PARK, PROPRIETOR,
HOLTON, BIBB COUNTY, GEORGIA,
E. T., V. & G. R. R. Eight miles from Macon.

IMPORTED SHETLAND PONIES.

REGISTERED BERKSHIRE PIGS.

REGISTERED JERSEY CATTLE

of best Butter Families.

Several handsome Jersey Bull Calves, thoroughbred and graded Jersey Heifers for sale.
Address

ROBERT E. PARK,
MACON, GA.,
Mention ECONOMIST.

IT STANDS AT THE HEAD!

THE PHILOSOPHY OF PRICE

AND ITS RELATION TO DOMESTIC CURRENCY.

BY N. A. DUNNING.

Every member of the Alliance should have a copy to learn the cause and remedy for these hard times.

Every Editor, Writer, Speaker, or Lecturer should have a copy for reference.

It is plain, explicit, condensed and complete.

It deals in facts and figures, printed in good sized type, and is just the book for the times.

It is indorsed by President L. L. Polk, C. W. Macune, A. Burrows, A. J. Streeter, J. B. Weaver, B. H. Clover, Col. R. J. Sledge, and hundreds of other Labor Reformers.

Price postpaid: Cloth, \$1; Paper, 50cts.

FOR SALE AT THE OFFICE OF

The National Economist,

511 Ninth st. n.w., Washington, D.C.

SCHOOL SUPPLIES.

If you want the best desks, the best "aids to school discipline," slated paper, or any other style of black boards, or any other "tools to work with" in the school-room, such as maps, globes, charts, or black boards, the best thing to do is to write to the J. B. Merwin School Supply Co., St. Louis, Mo., for special introductory prices on these articles. This firm furnishes the best goods at the lowest prices, and will take pleasure in answering all inquiries. Address the

J. B. MERWIN SCHOOL SUPPLY CO.,
1104 Pine street, St. Louis, Mo.

We speak from personal knowledge, as we have dealt with this firm.—[ED.]

THE FINEST ON EARTH.

The CINCINNATI, HAMILTON & DAYTON R. R. is the ONLY LINE running PULLMAN'S PERFECTED SAFETY VESTIBULED TRAINS, with Chair, Parlor, Sleeping and Dining Car service between Cincinnati, Indianapolis and Chicago, and is the ONLY LINE running THROUGH RECLINING CHAIR CARS between Cincinnati, Keokuk and Springfield, Ill., and Combination Chair and Sleeping-Car from Cincinnati to Peoria, Ill., and the ONLY DIRECT LINE between Cincinnati, Dayton, Lima, Toledo, Detroit, the Lake Regions and Canada.

The road is one of the oldest in the State of Ohio, and the only line entering Cincinnati over twenty-five miles of double track, and from its past record can't more than assure its patrons speed, comfort, and safety.

Tickets on sale everywhere, and see that they read C. H. & D., either in or out of Cincinnati, Indianapolis, or Toledo.

E. O. MCCORMICK,
General Passenger and Ticket Agent.

CLUBS OF FIFTEEN.

One copy of "History of the Wheel and the Alliance, and The Impending Revolution," by W. S. Morgan.

To secure either of these club premiums it is not necessary to send all of the names at once, but notice of intention to claim the premium should accompany the first order.

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., JUNE 7, 1890.

NO. 12.

WISE PARTISANISM.

As soon as an important election is over the press and the politicians commence to plan for the next one. Every week, now, shows an increase of the space devoted by newspapers to the probabilities and possibilities of the nominating conventions of 1892. It is a subject that never wears out, never grows old, and one so easy to write upon. It requires neither education, ability nor talent. The cheapest scribbler on the commonest daily can write a good, or at least what seems to be considered a readable, article on the probable result of the next nominating convention of either party. There also seems to be a popular taste, or the public shows a willingness to tolerate this class of scribbling, and for these reasons it is not strange there should be so much of it. Nevertheless one seldom finds an article upon this subject that is worthy of perusal. They are generally composed of mere gossip and conjecture. The availability of a candidate is considered solely by the influence he can command on account of locality, or money, or friends. He is judged purely by a standard of party policy, his merits, ability, and fitness receiving no consideration whatever. This is partially the result, as has been before shown in THE ECONOMIST, of partisan conflict having become so intense that the short-sighted, the mercenary, and the ambitious devotees of politics place the interests of party above the interests of the people. This is not only wrong, but it is bad policy and false doctrine, because the true interests of party, when properly understood, must harmonize with the true interests of the people, and a success that demands an infringement upon the true interests of the people must be temporary and injurious, because it will certainly be followed by a reaction equal to the violation of right upon which it gives an unjust ascendancy. This is a truth that the thinking and conservative element of both parties must admit, and it brings to light another fact not generally recognized, but, nevertheless, a very plain and potent one; and that is, that it is a greater task for the thinking, honest, and conservative element in both parties to hold back and control the hot-heads in their own ranks than it is to meet the opposition. It is nevertheless a duty they owe themselves and the party to do so, which left undone will cause them trouble, because the hot-heads, bent on party success, will scruple at

nothing, and to achieve a temporary success will commit the party to a course that will in time completely down it; hence the great necessity for deference to the interests and the wishes of the great conservative element of both parties.

The great conservative element of both parties is the agriculturist. He comprises a majority in each. If his preferences are consulted it will be found that he desires a pure and honest man who has the integrity, ability and peculiar fitness to qualify him in a prominent degree to discharge the duties of office with justice to all classes. But the hot-heads, when the selection is not taken away from them, choose a man, first from a location so closely contested that they may get local help there from having a local man; second, a man congenial to capitalists, who will donate liberally to a campaign fund for securing his election, and third, a man who can be depended upon to so distribute the "spoils" as to insure a perpetuation of the party in power. What a contrast between these two methods of selecting a candidate! How certain one is, if strictly adhered to, to result finally in a grand and glorious triumph, and how sure the other is to lead to complete ruin and destruction, following perhaps a temporary success! As a result of the latter policy the hot-heads of both political parties are discussing the propriety of running for the presidency in 1892, men of influence in Wall Street; in fact they seem to be feeling the pulse of the plutocrats by suggesting men known to be popular with that influence in New York. Why don't they feel the pulse of the great productive interests of the country by suggesting a statesman with merit, ability and fitness to recommend him? Simply for this reason: they (the hot-heads) think themselves independent of the country vote because they have always been able to keep that divided so that one-half killed the other half, and if they can get enough boodle they can control the city vote, which, under such circumstances is a balance of power and elects their man, therefore boodle is more desirable to them as a means of success than the votes of farmers and laborers. The latter always have been whipped into opposing lines, and they argue that they always will be. But this condition cannot long prevail for the reason, first, it is not right, and second, because the people are becoming too intelligent to be longer

swayed by blind prejudice, and the party that first delegates the hot-heads to the rear and adopts the just methods above described, will achieve a great victory. In witnessing a fight it is no sign of partisan preference to offer a suggestion to the man who is down; the one on top has the advantage and can take care of himself. Suppose, then, that the farmers in the democratic party were to suggest to the hot-heads of that party to stop booming Cleveland and Hill for the nomination and feel the pulse of the country on Senator Vance for a while. What a stir it would make! True, they might lose a doubtful state, but they would gain a half dozen in the place of it. The reason is plain and simple. Vance is noted as a plain man of the people, a wise man, a pure man, an honest, able and efficient man. His people love him, and tears of honest joy will come to the eyes of a North Carolinian every time he hears praises of "Old Zeb Vance." Old and young, republicans and democrats, rich and poor, black and white, will all alike feel happy and safe when such men are chosen.

THE whisky trust has practically controlled the production of that article and raised prices. Fifty-six elevators in the northwest were bought by an agent of English capital in one trip, and the milling business of the country is in the hands of a few men, who can maintain the price of flour independent of the price of wheat. There is a combination on soft center steel, the only substance from which the black land plows can be made, and it successfully keeps up the price. The price of nearly every manufactured article in use is increased and regulated by a combination; even salt, meats, and matches, are increased in price on an average of probably 33 1/3 per cent by trusts and combinations; and sugar has for three years or more been augmented in price for two or three cents on every pound. Now, when the sub-treasury bill is proposed, there are so-called statesmen who pose as philanthropists, and say they are opposed to it because it would enable the farmer to raise the price of the wheat consumed by the widows and orphans. They know this is false, but they wish to cover up their real reason for objecting to the measure. They know, because it has always been taught as a cardinal principle of political economy, that the price of any commodity can not be raised so as to make its production more profitable than the average profit that attends the production of all other commodities, because the greater reward for labor will be an inducement to labor employed in less remunerative pursuits to embark in that enterprise, which will in time increase the production of that commodity and decrease the production of the other commodities until the average or equilibrium of prices will be restored. This is an old principle and well understood. Under the sub-treasury bill the

farmer will be able to dispense with the middle man in the sale of his products, and meet the consumer face to face; he will, therefore, get all that the consumer pays, and if that, at present prices paid by consumers, is enough to render farming more profitable for the capital invested and labor employed than the average of other pursuits, than the number of farmers will increase until the increased product will reduce the price to such average profit. On the other hand, should the present price paid by consumers be found to yield agricultural productive effort a less reward than that secured by a like investment and effort in other pursuits, then the number of those engaged in agricultural pursuits will diminish and the relative supply of their products be less, until the price is raised so as to yield effort in that occupation a reward equal to that of the average in all other occupations. These are plain facts, and can not be refuted, and the gentlemen who are ransacking their great brains for objections to the sub-treasury bill know it. The true objection to the sub-treasury bill, and the one that these gentlemen are afraid to urge, is, that it would destroy the "power of money to oppress," and, consequently, would positively destroy the power of any man or set of men to make a corner in the consumable products of the country. Speculation in farm products would be at an end. The future gambler would be hunting employment. The small and inflexible volume of money is the fulcrum that all speculators depend upon to make their trusts and combines successful. If a man sympathizes with these more than he does with the farmers, then he will hunt specious objections to the sub-treasury bill. The farmers can afford to agree to support the widows and orphans in luxury rather than carry their present load.

THE Alliance movement, during its brief existence, has done more to educate the great mass of people in the principles of government than all the schools and colleges have in the past century. The people, those plain, unassuming men and women who constitute the conservative element of society, and are really the safe-guard of national freedom, are, through the methods made use of by the Alliance, learning the rights and duties of citizenship with a rapidity and clearness truly alarming to the chronic politician. The Alliance has taught the wealth-producers of the North and South that their interests are identical; that it is their duty to eliminate all sectional feeling and work together for the common good. It has done more. It has taught them to look upon all attempts to array one portion against another, or revive old animosities, as a cruel wrong, and intended to serve political purposes. They are learning to class the average politician as an enemy to labor in production, and in the near future will put this knowledge

to a practical test. The fact is being made apparent that all labor, whether it be found amid the snow and ice of the North, the rough and rugged portions of the West, or the more mild and balmy sections of the South, must stand together for mutual protection. The Alliance is the initial movement which, if continued, will bring about a unification of sentiment based upon questions of national importance that will benefit labor, wipe out all sectionalism, and prove a lasting blessing to the whole people.

A CORRESPONDENT writes from Mississippi for THE ECONOMIST to give some expression on the proposition of a prominent lawyer, J. A. P. Campbell, to add a property qualification to the voting right of citizenship in that State, not to disfranchise anybody, but to multiply votes in the hands of the wealthy. The Alliance is organized to secure justice, and it must grant justice as well. This proposition is aimed at the negro. Can the Alliance propose to do him an injustice?

SAM JONES said it was the hit dog that howled. If this be true the Alliance movement must have shot its ball with a good aim, because the howl is deafening.

THE Mead County (S. Dakota) Times tells of "a protected idiot":

A Nebraska farmer recently loaded up his three teams, one with corn, one with oats, and one with potatoes. Behind one team he hitched a fat steer, and behind another he hitched a fat cow. With this outfit he started to his "home market," where he sold the products of his farm. The fat steer bought him a suit of ordinary clothing; the fat cow bought him a common overcoat; the load of potatoes bought him a hat and a pair of gloves; the load of oats bought him a pair of boots and a pair of socks, and the load of corn bought him a suit of under-clothing. He went home whooping for "Harrison, protection, and the home market," and wearing upon his person the products of a fat steer, a fat cow, a load of corn, a load of oats, and a load of potatoes.

PROGRESS OF THE ALLIANCE.

The most encouraging reports come from all parts of the country in reference to the progress of the Alliance in membership and education. The increase in membership is not only in new States, but in those long organized and in which it was supposed that the territory was completely covered. Indiana has organized her State Alliance, and West Virginia only waits for a convenient time. In New York two counties have the necessary number of subs to permit organization, and the work is started at other places. In California the first county has been organized, and the work will no doubt proceed with accelerated speed. Everywhere the necessity for organization is recognized, and the people are inquiring what shall we do? Not only in the Alliance, but in the two great friendly orders, the Knights of Labor and the Colored Alliance and Co-operative Union, the same gratifying improvement is noted. The same principles underlie these three greatest organizations, and in all the educational progress is marked.

RAILWAYS, THEIR USES AND ABUSES.

Their Effect Upon Republican Institutions and Productive Industries.

BY JAMES F. HUDSON,
Author of "The Railways and the Republic."

No. 55.

COMBINATIONS AND WAGES.

As was said in the last article, to suppose that under free competition the wages of the laborer and the products of the small producer would be constantly crowded down, is to suppose that there would be no competition for their products and labor; while under the system of free competition the competition in demand must be as strong as the competition in supply. True, business conditions have arisen under which the competition for the labor of certain classes of working men, or for the products of certain interests made up of small producers, has been stifled or suspended, and in such cases it is also true that the result of competition working only against the masses has produced insufficient wages, or permanently depressed returns. But let us see under what circumstances such unequal action of the force of competition has been established.

Suppose that one hundred thousand miners, working in a single district, producing an especial kind of coal, are practically employed by a single corporation. Under such circumstances there are one hundred thousand competitors for the wages paid by the corporation; but, there being but one employer, there is no competitor for the labor of the miners. In this case, the laborer must accept whatever wages the corporation chooses to assign to them or seek employment in some other region. The result inevitably is that the rate of wages fixed by the single employer represents the minimum at which laborers can be kept at work.

This is exactly the condition of things that has prevailed for years in the anthracite coal regions of Pennsylvania. The pictures which have been drawn by labor reformers and investigators of the condition of the miners in that district, give a remarkable illustration of the result of successful combination upon the wages of labor. None of them present a more striking view of what is possible than the statistical assertion that during eight years of the anthracite coal combination there was an enforced and arbitrary idleness of the miners, in order to keep the production down and to produce an artificial scarcity of the fuel, amounting to one-third of the working time of period. A very striking proof of the difference which is made in the position of small producers or laborers, where competition is even on both sides and where it is suppressed on one side, is afforded by the comparison of the anthracite coal industry with some of the bituminous coal districts, where combination between the operators has always proved impossible. There are bituminous coal districts where the monopoly is just as severe, though the districts may not be so important, as in the production of anthracite coal. In such cases the price of their coal is fixed by competition with the coal of other districts; the sole profit of the combination is in forcing wages to the starvation point.

But in some bituminous coal districts competition

has never been overcome, and the fact appears that the wages of labor represent a much larger proportion of the price of the product than where the competition for the employment of the laborer is suppressed. Combination among the operators in the Pittsburg coal district has always proved unable to control the price of coal, or permanently fix wages; for the cogent reason that the means of transportation are so varied that they have never been controlled by a combination of the transporters, and thus furnish the lever by which a combination of mining operators could be enforced. What is the result upon the wages of labor? In the same year in which the anthracite coal industry yielded miners an average of \$1.74 for each day's work, the Allegheny county coal mines yielded to their miners an average of \$2.34 for each day's work; while in Clearfield county, a bituminous district in which the combination was even more grinding than that in the anthracite coal region, the wages of the miners were crowded down to \$1.50 per day. The amount paid to a miner for producing a ton of coal in the Pittsburgh district, is over two-thirds the price of the coal at the central point of that district. The proportion of the wages in the price of a ton of coal in the anthracite district is about two-fifths. Can there be any more conclusive proof of the fact that where combination permits the force of competition to be thrown entirely against the laborers, the result is in the depression of his wages to the starvation point?

The same thing applied to a somewhat different organization of industry, appears in the relation of the Standard Oil Company to the producers of crude petroleum. The production of crude oil for petroleum refining is in the hands of a democracy of operators, some of large capital, but the majority of comparatively small means, who drill the wells and bring the oil to the surface of the earth. But during the last sixteen years the purchase of their petroleum has been practically in the hands of a single corporation, and the result has been an almost continuous period of depression. In Pennsylvania the Standard has furnished a measure of the depression which it enforces upon the producers by reason of its monopoly from its invariable policy whenever any attempt has been made at competition (in the transportation of the crude by pipe line, or by the entrance of independent refineries in the field) of adding a premium of from 10 to 20 cents per barrel on all the oil delivered to its pipe lines in the district where this competition has made an appearance. Twenty cents per barrel on the entire product of the Pennsylvania region means \$5,000,000 to \$6,000,000 per year, or from \$80,000,000 to \$96,000,000 during the sixteen years of the Standard's rule. This is a striking measure of the amount which a monopoly can take from the small producers by reason of this abolition of competition in the demand for their product. But even a stronger indication of the same operation is furnished by the course of prices in the Ohio oil field, under the monopoly of the Standard in the purchase of that product. Before the Standard obtained the position of sole purchaser there, the price of that oil was forty cents per barrel. As the Standard obtained its monopoly, the price was gradually reduced till it reached the remarkably depressed level of fifteen cents per barrel. Within the last year competition in the purchase of Ohio oil has been restored, and

the price has advanced rapidly to the old figure of forty cents. The fact that the suppression of competition in the purchase of this product took away five-eighths of the returns of the ordinary producers, is the most powerful example of the effect of combination upon the mass of industry that has been presented during the combination era.

Illustrations of this sort could be multiplied, but it is enough to conclude the point by referring to the operation of exactly the same principle, with regard to the purchase of cattle by the dressed beef combination. The question how far this combination operates to depress the price of cattle is a disputed one; but the recent report of the Senate committee makes it clear enough that to whatever degree competition is suspended in the purchase of cattle, the farmers are deprived of the just return for that product. To whatever degree competition can be restored and made active in the demand for the agricultural product of live stock, to that degree the farmers will be benefited. It is not competition that has crowded down the price of cattle in this way. No doubt competition has had a large amount to do with the cheapness of live stock, but when we find that live stock sold to the great buyers of cattle in the central markets of the West have reduced in price to one-third or one-half what they were several years ago, while the price of meat in the Eastern markets has not sensibly declined, it is evident that the competition has been turned entirely against the producers of meat on the hoof by the abolition of competition, or the obstruction of it at least in the demand for their cattle when brought to market.

In a single year the anthracite coal combination put up the price of coal fifty cents per ton, but the miners received no advance in wages whatever. In the same year the miners of the Pittsburgh bituminous coal district obtained an advance of five cents per ton, and the advance in the price of bituminous coal which followed that advance in wages was just exactly five cents per ton. Within a few months of the same time, a railroad system in the West was sustaining successfully a strike of its freight handlers, until the pool, of which it was a member, broke up and went to pieces. The moment the combination which protected its earnings, whether it carried the freight or not, was ended, that moment the railroad corporation found it necessary to advance the price of its laborers in order to secure promptness in its freight business. Put all these things together, and is there any one point clearer than that free competition for labor and for products, means that labor and its products shall receive their full share of the returns of production? While on the other hand, there is no fact more absolutely fixed by the history of the combinations, than that the moment the combination becomes secure and impregnable, that moment it is able to crowd down its laborers to the starvation point, or to force the small producer to sell his supplies to receive whatever return for their products the combination may choose to assign. In other words, the depression of the masses, which is often asserted to be caused by combination, is really the effect of combination, turning that force exclusively to the advantage of its members and to the disadvantage of the people who sell it either their labor or their products, equally with those who must pay the enhanced prices for the products the combination controls.

MR. WINDOM AND THE CIRCULATION.

BY N. A. DUNNING.

Mr. Windom says:

With regard to the third item (\$52,000,000) which is claimed to have been "lost or destroyed by fire, wreck, or flood," I am unable to present any figures further than to say that the loss of fractional currency is no criterion by which to judge the loss of United States notes or national bank notes. I believe, however, that \$52,000,000 is a great exaggeration. The Comptroller of the Currency, who has devoted much time and thought to the subject, considers that the percentage of ultimate loss upon national bank or Treasury notes is not in excess of 1½ per cent of circulation for twenty years.

I am unwilling to dismiss this matter upon the estimate of the Comptroller or the statement that fractional currency furnishes no basis for an approximate estimate. June 21, 1879, there was said to be outstanding \$15,589,888.37 in fractional currency. By an act of Congress of the same date \$8,375,934 was virtually declared lost or destroyed, and \$7,214,054.37 remaining among the people. Since that time only \$299,210.40 has been redeemed, and Senator Sherman in a recent speech declared that the remaining \$6,915,743.97 is probably lost. Here, then, is the proposition, out of the \$46,961,000 fractional currency issued over \$15,000,000 remains unaccounted for, an absolute loss of 33⅓ per cent in sixteen years, while the Comptroller estimates but 1½ per cent loss in twenty years for other kinds of currency. Senator Stewart, in his speech on the free coinage of silver, said: "The greenbacks or treasury notes have been in circulation for twenty-eight years and were used during the rebellion in the theater of war. A deduction of \$50,000,000 at least ought to be made for loss of greenbacks."

A limited inquiry among those who were once connected with old State banks of issue reveals a much greater per cent of loss than the Comptroller allows. The Director of the Mint estimates \$202,027,359 legal tenders and \$244,703,508 silver certificates as in circulation outside the Treasury and national banks. This shows about seventy-five cents more per capita of certificates than greenbacks among the people. If any one will take account of the paper currency received in the ordinary course of business he will find \$50 in certificates for every \$1 of legal tender. If this vast amount of greenbacks is circulating among the people, why is it not seen more frequently? In the absence of positive proof I am content to let the people judge between my estimate of 8 per cent loss for twenty-seven years and Mr. Windom's of 1½ per cent in twenty years.

In regard to the amount of coin deducted from the volume estimated as outstanding, Mr. Windom dismisses it with the assertion that it is a very great exaggeration, being careful at the same time to give no substantial reasons for his position.

July 1, 1873, Dr. Linderman, a former Director of the Mint, estimated the amount of gold and silver

coin and bullion outstanding at \$141,149,395, about \$6,000,000 of which was silver. In 1874, Director Burchard made another estimate, which has since been shown unreliable. In 1885, Director Kimball, in his estimate, deducted \$30,000,000 from the previous estimate of outstanding coin. In 1886 he corrects another error, and in 1887 still another, the two last amounting to about \$20,000,000, making his deductions in all amount to \$50,324,695. It will always remain a mystery how far these reductions would have reached had not the administration changed. The present Director, Mr. Leech, has given much time and space to show that \$92,771,950 was taken abroad last year by passengers from the single port of New York. An equal amount must certainly have been taken by passengers going abroad from the other ports of the country as it is not reasonable to suppose all the travelers started from that city.

Dr. Norvin Green, president of the Western Union Telegraph Company, whose position ought to enable him to judge, in his testimony before the Senate Labor Committee of 1885, page 959, said:

I believe there is held in England by capitalists there \$2,000,000,000 of bonds and dividend-paying stocks of the States in this country, and that the interest and dividend account which we are paying to English capital amounts to \$120,000,000 annually. I learned while I was in England that a careful examination had been made in the treasury department, or in the department of the chancellor of the exchequer, which showed that the English people were deriving from all foreign countries an annual revenue in interest and dividends of £160,000,000 sterling, equal to \$800,000,000 of our money, and of that they were getting at least \$120,000,000 from us. We are paying about \$75,000,000 of it in the balance of trade in our favor, and the remaining \$50,000,000 we are paying by-making new loans. If we did not, our gold would be going over there.

This testimony was given five years ago, and no one will dispute that foreign investments have increased rapidly since that time.

Within the last week the city of Washington was visited by and banqueted a company of foreign investors, as the following extract will show:

The Washington stockholders of the Equitable Mortgage Association gave a superb dinner last night (May 27, 1890) at the Arlington to a delegation of visiting stockholders and the representatives of some of the largest financial and investment houses in Great Britain and Europe.

The Equitable Mortgage Association is an American corporation, with \$1,000,000 capital, which has placed some \$6,000,000, principally of foreign money, in Southern and Western farm mortgages.

It is safe, therefore, to assume that alien capital is receiving from American investments fully \$150,000,000 annually. And if the balance of trade in our favor does not amount to this sum the remainder must be taken from the stock of coin or bullion. The utmost secrecy is maintained in regard to this amount, and a general desire appears to obtain among investors to keep these facts from the public. Such an aversion for publicity would be the strongest incentive to make remittances of the earnings of these investments in a secret and evasive manner. This, I

think, explains the absence of gold and silver that can not otherwise be accounted for.

Senator Stewart in a recent speech made the following statement:

But we are told that there has been a large increase in the volume of the circulating medium. The Secretary of the Treasury, in his last report, states that the amount of money in circulation on March 1, 1879, was \$805,793,807, and on the 1st of October, 1889, the amount of money in circulation was \$1,405,018,000. The increase is made up by estimates. One item of the estimate is \$375,947,715 in gold. How does the Secretary or anybody know that that amount of gold is in circulation? Nobody sees gold except upon the Pacific Coast.

Where does it circulate? We are informed by statisticians that so much has been in the country, and they suppose it is all here now. They make no allowance for the vast sums that leave the country every year in the pockets of travelers to be spent in Europe, which never returns. It is safe to say that the estimate of the Secretary of the Treasury in regard to this item is at least two hundred millions too high. If there is \$375,947,715 of gold in circulation outside of the Treasury, I should like to have somebody tell us where it is and who uses it.

It is impossible to arrive at any just conclusion from the estimates of the Secretary of the Treasury. He takes no account of the loss of greenbacks and of the vast amount of money which is taken out of the country, but counts everything that has been in circulation and all that has been supposed to be in circulation without deduction. It is safe to say that no man can tell from the statements of the Secretary of the Treasury the condition of the finances of the country or the amount of circulation among the people.

Senator Teller also said in a late speech:

France having \$45 of gold and silver per capita, according to the statement of the Treasury Department, and we having, according to the same statement, \$22 per capita, which is not a correct statement after all, for we have not that amount.

The most convincing argument may be found on pages 42 and 43 in "Production of Gold and Silver of the United States, by Director Kimball," taken from the Commercial and Financial Chronicle of February 9, 1889:

As to the gold in active circulation, whatever there is of it must be in the Pacific States, for in the Eastern, Western, and Southern States not one individual in every hundred receives in ordinary business transactions a gold certificate a gold coin once in twelve months. Contrast that fact with the other, that on the 1st of January, 1889, there were 60,779,221 silver dollars in circulation in the United States, the remainder of the three hundred and seven millions being in the form of silver certificates. Of that sixty and three-quarter millions of silver dollars we venture to say that every inhabitant who during the last year has tendered a \$5 bill in payment of some small purchase made has nine out of ten times had offered to him one or more in change. Such ubiquity in the case of sixty and three-quarter millions of silver dollars proves clearly enough that if there were even a little gold coin passing from hand to hand it would be often met with.

After making careful calculations the same authority declares:

In the above it will be seen that we allot \$40,000,000 to circulation, and yet even with that deducted there are still left \$279,210,682 unaccounted for.

From these facts the conclusion is unavoidable that either there are to-day at least \$275,000,000 in gold hoarded by the people of the United States, or else that the Government Mint figures are extremely erroneous.

Here is the situation. In January, 1889, there was estimated to be \$704,608,169 gold and bullion in the country, of which, after a most careful search and liberal allowances, \$279,000,000 can not be accounted for. It is neither in the Treasury, the banks, nor is

it seen among the people. A most natural inquiry would be, where is it? and why is it designated under such conditions as being in circulation?

I will not take the time or space to estimate the loss on silver, which must be very considerable, and for the same reasons that apply to gold. Since there is no authentic data by which the amount of coin in the country can be determined, and that those who are in position to know best do not agree, it becomes a matter of individual judgment, which must be based upon such general information and reasonable deductions as can be gathered outside of the usual line of statistics. Taking this view of the question, I have selected the opinions of those deemed best able to judge, and given such arguments as I think best calculated to bring out the truth. The subject is of too great importance to dismiss without careful consideration, and the needs of the people are too manifest to admit of any deception.

I began this discussion with an earnest desire to obtain information by which the people might determine as to the volume of currency in actual circulation, believing that such reformation would result in a demand for an increase of currency that Congress could not ignore.

In conclusion, I will say, that I see no reason for changing my first estimate of \$4.72 per capita in circulation. I should certainly make it less than more were I to change it.

ONE of the most ridiculous objections yet urged against the sub-treasury bill is the effort to stir up local prejudice, and this is actually resorted to by men who are not only grown men and of average attainments, but men who have been regarded as being very intelligent; and humiliating as the admission is, it is nevertheless true that some members of congress have done so. They of course know better and are simply acting the demagogue, but they will find that the education received in the Farmers Alliance has posted the farmer so well that he will only laugh at the effort of the narrow minded fool or the educated demagogue who attempts to array him against his brother farmer by local prejudice. Here is the way it is attempted; they say in the south that the sub-treasury bill will cause the country to be flooded with carpet bag federal office holders, who will corrupt the politics of the country and break up the democratic party; and they say up north that it will cause the country to be flooded with rebel brigadiers, office holders who will corrupt the politics of the country, teach state's rights, and anarchy and break up the republican party. Both parties were better destroyed, if the farmers' simple demand for justice will have that effect.

THE sub-treasury plan is the fullest recognition of the economic truth, that labor creates all wealth, ever proposed in a legislative body.

Nuts for Mr. Ingalls to Crack.

WASHINGTON, D. C., May 23, 1890.

Hon. John J. Ingalls, United States Senate Chamber.

Dear Sir: In reading the debate in the Senate, as published in the Congressional Record of May 17, I notice that a great deal was said pro and con about the redemption of the \$346,000,000 legal tender notes now outstanding in gold coin. In reading the debate I have become somewhat at sea in the matter. Now, sir, the proposition that has muddled me is this: When I, as a soldier during the war, and had served a month, I received as my pay \$13 of these legal tender notes. If the proposition as put forth by some of the senators is true, viz.: that these were only notes, they being without date, are payable on demand. Now, sir, supposing a case of this kind (which in my judgment is not a very absurd proposition), that when I had received thirteen of these notes (dollars) I had walked up to the United States Treasurer's office and presented them to him, with the remark, sir, you are the disbursing officer of the government, I have thirteen dollars of notes of the United States and I should like my pay for them as they are due. The question with me is, would he have honored them, or would he not, or could he not have taken these notes, which on the face of them says "will pay," turned them over and read to me from the back the following extract from the law:

"This note is a legal tender for all debts, public and private;" and then say to me, sir, your debt was a public debt. This, that I have read to you is the law that created that note. The law that creates a thing is greater than the thing created. This law on the back of this note destroys your ability to sue and collect in any court in the United States. Now, sir, in the face of the fact that it has cancelled the government's obligations to me for service, in what sense, and under what law of our land, does it again assume the functions of a debt in the form of a note after it comes into my possession. The question that I want to find out, is it a note, or is it a dollar? Or is it both a note and a dollar? If it is a note, how did the Secretary of the Treasury invest it with the power to pay me. To be plain, I would like to know whether these legal tender notes are notes, or are they dollars? This being the case, I should be pleased to have some of the learned senators who are calling them notes point out to me the United States statute that provides for redeeming a government dollar with another government dollar. If I understand the functions of money, it is that material which the government has clothed with legal tender power. I noticed in the Senate debate last week that Senator Sherman said that he believed that the Almighty intended that both gold and silver should be money. This statement to me seemed very strange. I read in sacred history that Satan at one time came very near thwarting the Almighty, but was finally overcome and bound for one thousand years. If this statement of Senator Sherman is true, he and the Republican party must be more wicked and more powerful than the Devil, for in 1873 they succeeded in thwarting the Almighty by depriving silver of its power as money. I am sorry to have troubled you with so long a letter upon this matter, but the question of whether this note is a note or a dollar is one that there are a great many people would be pleased

to have your opinion upon, and I would be pleased if you would favor me with it.

RALPH BEAUMONT,
Chairman K. of L. National Legislative Committee.

HOW MR. INGALLS CRACKS NUTS.

WASHINGTON, D. C., May 26, 1890.

Mr. Ralph Beaumont, City:

My Dear Sir: In reply to yours of 23d instant, I would say that I am in favor of the free coinage of silver, with full legal-tender, debt-paying quality.

Very truly yours,

JNO. J. INGALLS.

The Maryland Experimental Station.

We have before us the second annual report of the Maryland station. We find it to be an interesting paper. It opens by referring to the meteorology of the past year as very unfavorable for station work. Of this there can be no doubt. Excess of rains and lack of sunshine must have produced derangement of the nutrition of plants of serious consequence. Just what the effect of these conditions was on the growth and production of various crops it would be most interesting to know. Accurate observations and records upon this point do not appear to have been undertaken, however, by any of the stations. The organization of the Maryland station does not appear to be judicious. It embraces seven officials, viz.: A director (who is also president of the college), a horticulturist, a chemist, an agriculturist, a machinist, a stenographer, and a treasurer. The director ought to be an agriculturist and treasurer, and he ought not to be president of the college; the machinist and stenographer are dead-heads; the horticulturist may or may not be a physiologist. A director, a chemist, and a physiologist are the officers proper for such a station. All men of the first rank they should be. The employees of the station need not have permanent places, and they need not have any official titles. These are not, and are not intended to be, unfriendly criticisms. The work done by the station appears to have been well done. It is to be regretted that the report states that the station possesses no facilities for doing accurate scientific work in stock feeding tests. It is further to be regretted, as we think, that the station co-operated with the National department in cultivating sorghum in great variety and large quantity. Immense sums have been spent in this investigation for many years, and the matter stands where it began, but a large number of persons have been living on the appropriations and naturally want them continued and increased. Sugar can be made from sorghum, but it costs more to make it than it is worth when made. This appears to be a part of that "protect, diversify, and divide" racket, and like the balance of that scheme enables a few administration pets to get lots of Government funds. We regret to see States meddling in this business, which we believe to be a useless waste of money and time. The variety tests of grasses at the Maryland station are interesting, but develop nothing very important. The investigations as to the improvement of Maryland tobaccos made and suggested are we take it the most important part of the work. The fertilizer analyses we think amount to nothing; they are of no value; no one pays any attention to them; they could not be used in court; they represent, we think, time, talent, and money wasted.

M. G. E.

THE NATIONAL ECONOMIST.
OFFICIAL ORGAN OF THE
NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
PUBLISHED WEEKLY AT WASHINGTON, D. C.
BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are twenty-five cents per agate line. Discounts for time and space furnished on application, stating character of advertisement required.

The publishers of this paper have given a bond in the sum of \$50,000 to the President of the Farmers and Laborers Union of America that they will faithfully carry out all subscriptions and other contracts.

The following is the resolution unanimously adopted at the national meeting in St. Louis:

Whereas THE NATIONAL ECONOMIST, our adopted official national organ, has so boldly and fearlessly advocated our cause and defended our principles; therefore,

Be it resolved by this National body, That we heartily approve of the course it has pursued and recommend that every member of the order should subscribe and read the paper as one of the best means of education in the way of industrial freedom.

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.
ENTERED AT THE POST-OFFICE AT WASHINGTON, D. C., AS SECOND-CLASS
MAIL MATTER.

EVERY other occupation in this country yields a larger return for the capital invested, and the labor, intelligence and ability employed than farming. This is why boys do not stay on the farm, but go to the city and enter other pursuits; it is why so many men who are able have quit farming and joined the ranks of those who make by contact with their fellow man instead of contact with the earth; it accounts, too, for the rapid increase in wealth in the cities and decrease in the country. Can anybody deny, then, that there is a discrimination against the farmers? Surely not.

The farmer is as much interested as anybody in measures that will advance the general prosperity of all classes, but he is more interested in measures that will first remove the discrimination against him and place him on an equal footing with the rest of the procession. Give him that first, and then when the general prosperity is augmented by increasing the stable volume of money, by loaning on land or otherwise, he will be able to enjoy his share. That is all he wants.

THE ECONOMIST should not be understood as opposing the loan of money by the government upon real estate. It has taken no position on that subject, and it probably should not until it has been adopted or rejected by the Supreme Council, as was the sub-treasury bill. The Supreme Council did announce in favor of an increase in the volume of the circulating medium, and THE ECONOMIST will favor any safe and conservative method of securing that result.

There is no conflict between the sub-treasury bill and any of the measures proposed for increasing the stable volume. If either one should become a law there would be just as great necessity for the other as there is now. That is to say, should any one of the bills for the loan of money direct to the people

at one per cent by the government on real estate security become a law, and thereby the volume of money in circulation increased to \$50 per capita, there would be as great, or perhaps a greater, necessity for the sub-treasury bill as now; and, on the other hand, should the sub-treasury bill become a law it would not obviate the necessity for the increase of the stable volume of the circulating medium. The reason the Supreme Council advocates the sub-treasury bill first is that it may remove the present discrimination against the farmer and place him in a position to enjoy equally with other classes the general benefits that must flow from an increase in the volume of money. Should the volume be increased before the discriminations against him are removed, other classes would be able to appropriate his gains. As a proof of this look at present conditions. No one will deny that speculators and the exploiting class generally do not take from the farmer all they could; they simply take all he has, and if he had twice as much they would take more. Hence it is better to give him an equal chance before the general prosperity is increased by augmenting the volume of money.

IF the advocates of the sub-treasury bill demanded exactly that bill and took a stand for that or nothing, objections on account of detail or constitutionality or practicability could be properly and honestly made. But the advocates of the bill have done no such thing. They present a condition which is admitted to exist and offer a remedy the best they can devise, and say, since you must admit the principle correct you are at liberty to change any of the provisions of the bill if you can improve them so that they will be better calculated to secure the relief sought. The legislative committee of the Alliance told the Ways and Means Committee of the House of Representatives that they would be glad to have them improve any of the provisions of the measure, keeping in view the one object of the bill, to stop the present discrimination against the farmer by which the business of agriculture is today rendered unprofitable and depressed. In view of all this, the members of the order can put one construction upon long and laborious articles making complicated objections to the bill on account of detail, and that is that gentlemen are compelled to trump up such objections as an excuse for their opposition to the measure. A guilty conscience is proverbially a fertile progenitor of ingenious excuses.

THE constitutional argument against the sub-treasury bill hinges on a single word. The laws governing national banks provide that they may deposit a given amount of bonds with the government as security and receive ninety per cent of their face value in currency. The banks put this money in circu-

lation and are compelled to pay the government a tax of one per cent per annum. This has been decided by the Supreme Court of the United States as constitutional. The sub-treasury bill contains exactly the same provisions except that the farmer who wrote it used the plain English term interest at the rate of one per cent. per annum instead of tax. Great statesmen who are ransacking their brains for an excuse to oppose this measure, proposed by common people who know nothing of statesmanship, grasp this slender clew and argue that since interest is paid for the use of money, and money hired is loaned, the bill is unconstitutional. How their unholy eyes must glitter with selfish satisfaction after such an astute syllogism. But what a predicament they are in since the chairman of the legislative committee requested the Ways and Means Committee to change the word interest, etc., to a fixed charge of one per cent per annum.

THE ALLIANCE movement in the South has demonstrated more clearly than was before realized, that the farmer, in order to prosper, must take with him all engaged in that occupation. He can not organize the thrifty and well-to-do and make a success of any effort to increase the price of his products or decrease the price of the commodities he buys. He must take the poor man who is in debt and the renters, both white and colored, along and enable them to secure like prices, or he can not himself get them. When the crop is harvested, the poorest must be enabled to hold for better prices, or their necessities will compel them to sacrifice their products on a low market. That tends to demoralize the market and keeps it down till the man of moderate means can hold out no longer and is compelled to sacrifice also, and the effect of his crop on the market keeps prices down until even the well-to-do are forced into the same alternative. This same principle obtains largely in keeping up the price of commodities. The necessities of the poor are taken advantage of to maintain high prices in the sale of commodities and low prices in the purchase of farm products. Therefore a move calculated to benefit the farmer, to be a true success, must reach the poorest, both black and white. The sub-treasury plan is the only one that does this fully and with certainty.

IF Congress never violate the constitution until the farmers demand it, the constitution is safe, and if they refrain from enacting any measures that may properly be called class legislation until the farmers desire it, an era of prosperity may with certainty be predicted. Those who are accusing the farmers of desiring to violate the constitution in asking the sub-treasury bill, or of favoring class legislation and paternalism, know better. They know the farmer opposes

such methods and seek to make him believe his favorite measure can be classed as such, in order to induce him to stop advocating it. The wolves told the sheep that it was a useless expense to keep the dogs to guard them, and induced the foolish sheep to dispense with the dogs. These crafty enemies will soon learn that the farmers are no longer the foolish sheep they have been for some years.

THE partisan press is practically organized, as is evidenced by the fact that the most dastardly and cowardly lies are being slipped into a number of papers at the same time. Such lies are hatched up in the dark by some irresponsible person acting under direction of party bosses and sent to the papers all over the country at once. They seek to traduce this paper and its editor, but their real object is to bring discord into the ranks of the order. They are very foolish in this, for they might ruin THE ECONOMIST and kill its editor, but order would prosper and grow in spite of their evil methods, nothing can stop it. This paper and its editor are mere servants of the order that these slanderers may rest assured the membership will protect in the discharge of their duties.

SOME person, for reasons best known to himself, but certainly with no intent to aid the Alliance, imposed upon the Washington reporter of the Atlanta Constitution with a sensational falsehood, stating that the McClammy bill for Government loan of money on real estate was prepared by President L. L. Polk, and that it was offered as a substitute for the sub-treasury bill and would be so received by the Alliance. There is no foundation in fact for such statement. President Polk neither wrote the bill nor authorized it to be done; in fact he was absent from the city when it was prepared and introduced. Any person who has read and understands the sub-treasury bill would know that the McClammy bill could never be a substitute for it, because the two have entirely different objects. The outlook for the sub-treasury plan is very encouraging, and all kinds of ruses will be resorted to that are calculated to make confusion. The people will see that it is ultimately adopted.

THE fact should not be forgotten that the Democratic platforms of 1880 and 1884 declared in favor of the free coinage of silver.—Atlanta Constitution.

It would have been fair if the Constitution had added that the Democrats elected a President in 1884 who repudiated the platform between election and entering into office, by a widely published letter which had the effect of preventing any effort on the part of his party to secure the free coinage of silver. The same President took occasion, in an annual message, to recommend the repeal of the limited coinage of silver under the Bland act. Does the Constitution desire that man's renomination?

INDORSED BY THE COLORED FARMERS.

Supt. R. M. Humphrey before the Senate Committee on Agriculture and Forestry.

MR. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I appear before you as the representative of the Colored Farmers National Alliance and Co-operative Union, an organization extending over thirty States and having an enrolled membership of more than a million. I am not here to teach Senators wisdom, nor to go over these facts, and statistics, and arguments which have been presented to the committee by others, my associates. I appear before the committee simply as the representative of a great people—a people, however, who are devoted entirely to agriculture. The colored people are either farmers or farm laborers. As a matter of course we have a few exceptions, but the great masses of them are interested in agricultural pursuits, and are affected by their surroundings just as are other agriculturalists. I come to present their interests; and before I begin it is probably important that you should know, and you have an interest in knowing, who speaks. It is not I, of course. I am the representative of about one million citizens of the United States. If I plead before Southern men or before Northern men, it is simply indifferent; they are our fellow citizens.

Some twenty-five years ago the shackles were broken from the limbs of some four millions of slaves. That four million, or four million and a half, number to day about eight millions. With matters of that sort you are just as familiar and just as well informed as I am, and I do not propose to waste time in questions which are already published to the world.

Now these people, when first released from slavery, were as ignorant, as degraded, as penniless as you can well imagine, friendless and without a dollar, barefoot, ragged, homeless. Now, from that condition they have advanced to a very high position as a civilized people. I know of what I speak. I have traveled through the whole country, and am acquainted with their position and their situation. Thousands of them own their own homes; some of them have accumulated property. But the thing that I am here to show is not what they have accomplished, but what they ought to accomplish under more favorable conditions. These people are not idlers, as sometimes published. When I first commenced farming twenty-five years ago men told me to get a lot of Germans, that they were the good workers. I got them and found them a failure so far as cotton was concerned. Then they said "get Chinese," and I got them; and they worshiped their little josses, and the cotton did not grow. I then threw all that aside and followed my own inclination. I got a lot of negroes, good colored people, and cotton and corn grew over my premises; and I did not have to say "go to work." They went to work. I know that if we were to judge by newspaper statements, and by the statements of some people, we would say the negro is a sort of lazy, worthless creature, who ought to be beneath the contempt of Government. I want to say, honored Senators, that is not true; that the negro is as faithful and as diligent as any other human being in existence. I remember to have ridden up to a fence and found a little girl of seven summers, with a thin calico dress

on, and no hat on her head, cutting away with her little hoe in the cotton. I said "what are you doing there, little girl?" "Why, I am helping papa to make a living." That is the general way of the men, and the women, and the children; they all work, and they work diligently.

Senator George. What part of the country is that in?

Mr. Humphrey. In Texas, in Mississippi, in Alabama, Georgia, South Carolina. I can not speak for Ohio, as I never saw much of the negroes of that State. I can speak for North Carolina, for Virginia. I can speak for any of the Southern States. I say that wherever these people are scattered they work as well as any other race. That is all that I affirm. I do not affirm that they are demi-gods at all, but that they work just as diligently as any race under heaven. Now, the next thing is that not simply do they work, but they are not extravagant. When men charge that they spend too much in useless clothing, and food, and the like, you may receive the statement with a good many grains of allowance. Certainly there are great diversities among them, but the great majority are not extravagant. You can take the great majority of the colored farmers of the South and you will find that their women spend the season in the cotton fields, with a single thin garment, without shoes, and they live upon the coarsest, commonest food, upon which you cannot subsist other laborers. I desire to make the statement here, that these people are a necessity with us in the South, and that we cannot substitute their labor. I could demonstrate that fact if it were necessary. I do not think it is necessary. So much I have said about the people I came here to represent. The next thing would be the special bill I came to advocate before the Senate, known as the sub-treasury plan. The Chairman and gentlemen who are present I suppose are acquainted with the bill sufficiently, so that it is unnecessary for me to read it. In connection, however, with the introduction of that bill before the honorable committee, I will say this, that the trustees of this great national organization, the Colored Farmers Alliance, met on the 29th of April last in the city of Birmingham, in Alabama, and instructed me to proceed here and present before you, as far as possible, the necessity, the deep necessity, with them of the passage of this or some kindred measure, either the sub-treasury bill or some kindred measure, "for," said they—I want to use their own words as far as possible—"the proposition to lend money on lands can be of little avail to us. We have no lands to mortgage. The proposition to increase the amount of currency can be of very little avail to us, for we have nothing to buy the money with. Our muscle is our stock in trade, and what we must beg the Government to do is to recognize that muscle, recognize the principle that labor is the basis of all wealth, and if the Government will aid us to take care of the product of our labor that will be all that we demand."

Now, gentlemen, know that the bill provides that certain warehouses shall be erected in certain counties producing five hundred thousand dollars worth of certain lines of production, and that in those warehouses the cotton, the surplus of corn, oats, or tobacco, may be stored, and eighty per cent of its value paid to the party who stores it there, the remaining twenty per cent to stand as surety against risk, danger and the like, and to be eventually paid to the owner, if

found worthy. What would be the effect upon this special class of people I represent? That is the point I want to get at. Not what it would be to other people, but to these colored people. I put it in this shape. During the twenty-five years which are passed the fluctuation in farm products has not been less than twenty per cent, that is, at some period during each season; farm products of every variety would average twenty per cent higher than at some other period. Take for instance, cotton. We know that there is not money enough in circulation in the United States to pay for a cotton crop; all the money is drawn from New York, all the money is drawn from the banks of the country everywhere; the supply is exhausted, and still the cotton crop is not paid for. Well, now, what would be the consequence if I should bring ten bales of cotton to the city of Washington for sale and there was just a hundred dollars in the city? It must be apparent to all of you that I can get but ten dollars a bale for that cotton. The cotton of the colored people which sold last September and October at seven cents is now selling at eleven and a half cents. The only question is, are these people entitled to the protection of the government in common with the white farmers of the land?

In regard to the fluctuation in prices, some other solution may be presented to you, but, Mr. Chairman, I think all will agree that the only genuine, the only real cause of fluctuation is, as I have stated, the lack of currency in the country. I do not look upon every man as being dishonest. I do not consider every man a thief because he deals in futures. That is not my style. I simply believe that man buys on the very best terms he can, and when money becomes scarce, and scarcer still, the prices tend downward, and downward still. By and by, when further supplies of money have been gathered into the country, prices tend upward again. That is perfectly natural. This sub-treasury plan would tend to relieve this thing by allowing the farmer, white or colored, to store his cotton and receive 80 percent on the value of it, and pay his debts. The cotton would lie there and dry out. Some of you have handled cotton. It dries out about 3 per cent in the cotton. * * *

Senator George. In how long a period?

Mr. Humphrey. From three to six months; depending on the atmosphere it is kept in.

Senator George. Do you know how long it is after cotton is baled and stored before the lessening of weight ceases?

Mr. Humphrey. About six months.

Senator George. It lasts six months?

Mr. Humphrey. Under similar circumstances. If you changed the circumstances it would lose again or gain.

Senator George. In making the answers you have already made, do you speak of a dry or a humid climate in which the cotton is stored?

Mr. Humphrey. In a humid climate the cotton will gain weight.

Senator George. In an ordinary climate it loses?

Mr. Humphrey. Yes, sir.

Senator Jones. How about the drying out process? I understand your theory to be that cotton dries out about 3 per cent in six months?

Mr. Humphrey. Yes, sir.

Senator Jones. In a humid climate it gains instead of loses?

Mr. Humphrey. Yes, sir. It must be given an absolutely dry warehouse.

Senator Jones. How do you arrive at that conclusion? On what do you base your opinion in relation to the drying out of cotton?

Mr. Humphrey. Actual experiment.

Senator Jones. I wish you would tell us in a short way about those experiments, how extensive they were and how great they have been.

Mr. Humphrey. Well, I am somewhat of a cotton dealer. My hands have been in cotton for twenty-five years, and I have watched this process. I suppose it is very generally understood that when we bale cotton it is damp to a certain extent, and in process of three to six months it will dry out or lose about 3 per cent of its weight; from 3 to 5 per cent.

The Chairman. Under average climatic conditions?

Mr. Humphrey. Average conditions.

Senator Jones. A bale will lose from fifteen to twenty pounds?

Mr. Humphrey. Yes, sir; no less, and sometimes more.

The Chairman. With the average atmospheric conditions which prevail?

Mr. Humphrey. Yes, sir. If we compress a bale and then remove it to the Gulf, it will increase in weight on account of the humidity of the atmosphere.

Senator George. Are you sure you are right about that?

Mr. Humphrey. Yes, sir.

Senator Jones. You have tested that?

Mr. Humphrey. Yes, sir.

Now, Mr. Chairman, and gentlemen of the committee, I want to call your attention to this, that where alcohol, whisky, or brandy is manufactured it must have time to season or dry out—ripen (is not that the word, or something of the sort). Gentlemen will understand distinctly what I mean. Consequently the Government has kindly provided for the distiller a place where he may store his liquor until it is worth \$3 for \$1 it was worth when he made it. We poor farmers ask you in God's name to help us, and add just 25 per cent. to our cotton crops. You can do it very easily. Have we not the same right to ask for this 25 per cent. to be added to our cotton crops that the distiller has to ask that 250 per cent. be added to his distilled spirits? That this argument is just, Mr. Chairman, will not be questioned, and I would rather answer questions than make a speech.

Senator George. If that is the case I will ask you a question. The increase in the value of whisky, as I understand it, comes from an increase, or an improvement rather, in the character of the liquor resulting from age?

Mr. Humphrey. Yes, sir; that is right.

Senator George. Does that improvement come to cotton, or corn, or, wheat, or oats?

Mr. Humphrey. It comes to cotton very materially.

Senator George. I mean as respects quality?

Mr. Humphrey. I will explain again. We all know that cotton last September sold for 7 cents; now it is 11½ cents.

Senator Jones. The same grades?

Mr. Humphrey. Yes, sir.

Senator Jones. The same markets?

Mr. Humphrey. Yes, sir; everything the same. Senator George. I will ask you if the increase in the price of cotton did not come in the increase of the general price of some given quality of cotton, and not, as in the case of whisky, from an increase or an improvement in the value of the thing itself; in its intrinsic value?

Mr. Humphrey. Now, Senator, that allows me to answer your question, and I can answer it definitely. By getting the cotton together in bulk, so that we can furnish the spinner a thousand bales of the class he wants, and by having it dried out and ready for his machinery, the price of it in every sense is absolutely improved, like the whisky, as much as 20 to 25 per cent.

Senator George. Do you mean the actual quality of the cotton is improved, or simply the market price?

Mr. Humphrey. I mean the actual quality, for when we put together a thousand bales of any special class of cotton the buyer pays a higher price for it; and the warehouse would allow us to put it together. In regard to this warehouse custom, the warehouse plan for distilled spirits, which I know is fully understood, I will only stop for one moment. Of course the improvement comes from age. That is not questioned. But the Government allows the distiller to place the whisky in a bonded warehouse and gives him a certificate of deposit, which certificate can be taken to a bank and made into money; and that

money can be put into circulation and used every hour of the time until the whisky is worth three dollars for one. It is very kind of the Government to do that. I am not finding fault with that; but I am asking in the name of mercy that you grant us farmers the privilege of adding 25 per cent. to our crops where you can do it just as easily as you do with the distiller. There can be no possible loss in a cotton crop. There is no chance for a loss in the case. I want in this connection to call your attention to the fact that a tariff reduction can be of very little benefit to the people I represent, because they do not buy a great amount of the goods which are taxed.

As a matter of course a tariff reduction might affect the thing we have to buy one way or the other. It might help; I do not say it would not. And so an increase in the volume of money might help; I do not say it would not. I do say this, that however large you may make the volume of money, it will not meet the demands of the case, because suppose we had in circulation six dollars for one now, what then? Six will be worth one, and six dollars' worth of goods will be worth about one dollar's worth now. You preserve in that way a sort of evenness of the scales, and that is all. An increase in the volume of currency cannot materially affect any one except the debtor class. Certainly, if you will double the volume of money I can pay a debt of \$200 just as easily as I can now pay a debt of \$100. If you will destroy half the volume of money, giving us \$100 where we now have \$200, then it will be as hard for me to pay a debt of \$50 as to now pay a debt of \$100.

All of us understand these principles so fully that I feel ashamed of myself for stopping to repeat them, but they seem to be a necessary part of the business on which I was sent here. There was another feature in the argument sent up by these colored people which they begged me not to forget to say to you,

that the mere repeal of existing laws which might be considered as of a paternal character cannot meet the demand in this case.

Senator George. What laws?

Mr. Humphrey. The national bank law. I also refer to the warehouse for distilled spirits, the bonded warehouse law. I need hardly illustrate further than just to say, we see the national banks.

The Chairman. You mean to say that the colored people engaged in agriculture are not a debtor class; that is, that they have not mortgages outstanding?

Mr. Humphrey. They have, indeed, mortgages outstanding.

The Chairman. I understood you some time since to say that they were not necessarily a debtor class, because they do not own the land?

Senator George. Is there any class in any community that you may go into who use their credit more—they are necessarily bound to do so—than the colored farmer?

Mr. Humphrey. He uses it pretty freely.

The Chairman. Then they really belong to the debtor class?

Mr. Humphrey. Yes, sir; and certainly an increase of money would be profitable to them in that particular. An increase of the volume of currency would be immensely profitable to them in that particular view of the case.

Senator George. You are very familiar with the colored farmers. I have some knowledge of them, too. Is it not true that nineteen out of twenty, if not more, of the colored farmers of the country, raise their crops upon credit, based upon the crop when it is sold to be paid?

Mr. Humphrey. I think that a few years ago, perhaps, that number would be correct; but the Alliance has taught them much better principles. There would not be anything like that number to-day. I imagine, perhaps, not more than one-half of them; perhaps one-half raise their crop this year on credit.

The Chairman. How as to the white farmers, do they get an advance before the crops are raised?

Mr. Humphrey. Yes, sir. The white farmers have drawn more largely on their credit this year than the colored farmers.

Senator Jones. What have you taught them which has brought about that condition of affairs?

Mr. Humphrey. We have taught them to starve. That is what. We have taught them to work and get out of debt.

Senator Jones. To live without money; to just starve, and get out of debt.

The Chairman. In speaking of the indebtedness of the colored people, do you mean to say real estate mortgage indebtedness or chattel mortgage indebtedness?

Mr. Humphrey. Not real estate, but chattel. A great many of them have homes.

The Chairman. As a rule they do not own their own farms.

Mr. Humphrey. No, sir. Not as a rule.

The Chairman. And their indebtedness is in the nature of chattel mortgages?

Mr. Humphrey. Yes, sir.

Senator George. Have you ever run through your mind—I have done it—the proportion of adult colored males who own their own land? Is it one-tenth?

The Chairman. What percentage?

Mr. Humphrey. No, I cannot give a definite answer to that question. I may say this, that in the State of Alabama 13,000 colored farmers filed their names as owning their homes and being out of debt, and with a resolution to stay out of debt; to keep out of debt; to starve through and get out of debt.

Senator George. Have you an idea of the number of colored male adults in Alabama, say voters? We could get it through the Census.

Mr. Humphrey. Yes, sir, and better than through my poor memory. I think it is about ninety-eight thousand. But do not hold me responsible for that.

Senator George. Suppose there were a hundred thousand of them. Then if thirteen thousand of them were land owners it would be about—

Senator Jones. Thirteen per cent.

Mr. Humphrey. It would be about one-seventh.

The Chairman. Did the colored people who made this agreement to get out of debt and try to be economical, represent the agricultural class of the colored people?

Mr. Humphrey. Yes, sir.

The Chairman. Not those living in towns?

Mr. Humphrey. No, sir. They help one another. I should reply a little more definitely to that question. If one has five dollars, he who is in most need can get it. They aid one another powerfully to get out of debt. I give them credit for doing just about all that human beings could do in that direction.

The Chairman. Has there been much increase in their acquisition of lands during the past ten years?

Mr. Humphrey. There has been a considerable increase; an increase, I tell you, Senator, I am proud of, because notwithstanding I am a white man, a southern man, and have not been very friendly always toward the colored people, I am proud to see them succeed. I want them to have justice, right.

The Chairman. They are making decided progress?

Mr. Humphrey. Decided progress, grand progress. It would be a good place to stop right here and to say that in my state, Texas, for fifty miles up and down the Trinity, they own their own rich river bottom and have turned it into farms. The Alliance did that much for them, and they feel proud of the Alliance and work diligently together to uphold their organizations.

Senator George. So far as those on the Trinity are concerned, they are in a prosperous condition, are they not?

Mr. Humphrey. Well, now, Senator, that has to be answered again. They would be prosperous, if they just could have held their cotton until now. Every man would have had plenty of money if they could have held their cotton until now.

Senator Jones. Why could they not hold it?

Mr. Humphrey. Because they were dreadfully pinched with hunger.

Senator Jones. They did not eat up the entire cotton crop at once?

Mr. Humphrey. No, but they were compelled to pay their taxes. Their taxes had to be paid, shoes must be had. But when I say out of debt I mean out of mortgage debt. Many of them owe little debts to their negro neighbors.

Senator Jones. Would it not have been easy for them to have postponed those debts for a few months if there was an absolute certainty of a rise of 50 per cent in the cotton?

Mr. Humphrey. No sir; they could not do it. The sheriffs would have sold them out for taxes, for one thing, and for another thing. They would have suffered with winter cold, and such winter cold as no human being can stand before when he has it in his power to do otherwise. So they sacrificed their crops rather than see their families deprived of the necessities of life and go barefooted in the ice. That is what you or I would do if reduced to their extremities.

Senator George. I want to call your attention to this. How many white men are there in Texas who are out of debt?

Mr. Humphrey. Senator, you must not call upon me about that, because these negroes have had me employed.

Senator George. I will ask you whether the men who had cotton, whether bought or raised, did not foresee the great rise in cotton which has come recently, and whether a great many did not sell who were not compelled to sell?

Mr. Humphrey. We know that for twenty-five years this fluctuation of 25 per cent has been the average. We know that it is bound to go up.

Senator George. Do you mean to say that for twenty-five years the price of cotton about the month of May has been 20 per cent higher than in October?

Mr. Humphrey. I would not undertake to say that that was the case in every year. It is simply the case at the same season in the year.

■ Senator Jones. Is that uniform?

■ Mr. Humphrey. It is not uniform.

Senator Jones. Can you tell beforehand when these fluctuations are to occur?

Mr. Humphrey. We might if we were permitted to know exactly the bank statements of Wall street. Whenever there is no money to pay for the cotton it is bound to go down.

The Chairman. As a rule, does the price of cotton average lower immediately after the harvesting of cotton than later on?

■ Mr. Humphrey. It never fails.

■ Senator George. What never fails?

Mr. Humphrey. The price of cotton to be lower immediately after harvesting.

Senator George. What do you call "after harvesting?" I want to know what you mean, because the harvest commences in September and ends the first of January, sometimes February.

Mr. Humphrey. With us it commences in July. Now, Mr. Chairman, if you will let me answer that question.

The Chairman. You spoke of the necessity of having stores for a time in order that the cotton might be dried out and be in condition to work. I believe that is what you said.

Mr. Humphrey. Yes, sir.

The Chairman. Now what length of time is that?

Mr. Humphrey. I was in favor of storing for as long as three months, if possible.

The Chairman. Is the cotton not marketable before it goes through that process?

Mr. Humphrey. Oh, yes.

The Chairman. But at lower prices?

Mr. Humphrey. Yes, sir.

The Chairman. Is that the reason it averages lower immediately after it is ready for market?

Mr. Humphrey. Yes, sir. Here is a feature that I must take time to illustrate for a moment. During

the summer season, right now, some of our leading cotton speculators are in Europe. They have sold thousands of bales of cotton, which is to be delivered in October and November and later. Now they will come home about August, and they may happen to have sold so much cotton that they will put prices pretty high to get that cotton. As soon as those orders are filled cotton will touch bottom, sometime about November, right when the poor negro gets his cotton in, and the man who has credited and trusted him and who has fed his family, says: "Sam, you must pay." Sam is honest as the days are long. Do not tell me the negro will steal. Sam is honest. "I will pay," he says. "Well, Sam, you must go and sell that cotton to-day." "Well, sir, I can do it." Sam telegraphs to me. Now I will relate an occurrence. It was last week. A telegram came: "To Colonel Humphrey: I have one bale of cotton left, and I can get clear of the mortgage. The gentleman will give me the forty-five dollars mortgage for the bale of cotton. Shall I take it, or can you do better?" I telegraphed, "Send me that cotton." I sold that bale of cotton for \$61.93, and the difference between the \$61.93, and the \$45 is how much Greenbury saved on his one bale of cotton. You say, "Then, can not you furnish universal relief in that way?" No, I am not able to do it; it would take the Government to do it. One man can not do it. Mr. Gould can not do that thing. Mr. Vanderbilt and Mr. Gould united can not do that thing. The Government must furnish the relief, or that relief can not be had in anything like a perfect condition. But I have slighted your question, Senator.

Senator George. You said some time ago that cotton was lower immediately after harvest than it was at any other time. I want you to explain to this committee, many of whom are familiar with cotton, when harvest is. My idea is it commences about the first of September, in my country, at least, and ends about the first of January or February.

Mr. Humphrey. It is not much harvest with you. With us it is a grand harvest. It commences in July and ends in November, generally. When you get to a country where they do not harvest cotton until September, we consider it too far North for a good crop.

Senator George. In your answers you wish to be understood as referring to the harvest as from the 1st of July to the 1st of November.

Mr. Humphrey. Well, put it from the 1st of August; three months.

Senator McMillan. Do these colored men own their own lands?

Mr. Humphreys. Some of them do.

Senator McMillan. It is rich land?

Mr. Humphrey. Yes, sir.

Senator McMillan. And those who do not own the lands, how do they get their cotton?

Mr. Humphrey. There is a variety of ways. If they do not own land, perhaps they own stock, and can rent land by giving one-fourth of what they make in cotton, and if they have neither stock nor land, then they go to some white neighbor and propose to work for half. He gives half of what they can make.

Senator McMillan. And furnishes stock and land?

Senator George. And agricultural implements?

Mr. Humphrey. Yes, sir. In this case, and in every case, Senator, take notice that this negro is necessarily just like the poor white man, exactly on

the same terms as the poor white man. He is forced to go in debt while he makes that crop. There is a necessity, a sort of force, to go in debt while he makes that crop.

Senator George. I want to see if your experience agrees with mine. They go in debt under a mortgage or lien to a country merchant. Is it not almost universally a country merchant? And he charges them very extravagant prices for that credit?

Mr. Humphrey. Two hundred and fifty per cent is considered reasonable.

Senator Jones. By whom?

Mr. Humphrey. By the country merchant.

Senator George. Is it not also true that the country merchant always allows those who are in debt to him two or three cents more for his cotton than he could get for cash?

Mr. Humphrey. Never. He tells them that he is allowing them a half a cent or so more. But that is not true. I never knew such a case. I have known as many transactions of that kind as I have hairs on my head. I never knew a country merchant to pay a man for his cotton because he held a mortgage on that cotton. He comes down to his collection in this fashion. He says: "Pay me that thou owest me." If I do not pay, he sends for the justice of the peace and makes me pay. That is what. Now I want to call attention to this fact. Mr. Chairman and gentlemen of the committee, I am a Southern man. My name is known over the entire South. I could not stand before you and tell a falsehood. That would be impossible. I say to you, candidly, that race prejudice and race problems have not hurt the colored man in the South any more than they have hurt men in the North or anywhere else in the world. The one thing which has perplexed, which has troubled, which has starved and killed the colored race in the South is the fact that the Government, by the constant fluctuation of money has held the colored man by the shoulder every November while a Southern sharper flayed him. That has been the trouble. Give us now the warehouses, and let the colored man deposit his cotton there and get his 80 per cent and pay the little that he owes. You will see him step proudly around, and he will be a home-owner quick, because I tell you the colored people are as honest a people as the sun shines on. I have worked in the field with them day after day; I have ploughed by their side; I have known them ever since I was born, and a more honest, true, more faithful set does not exist. I know the truth of what I speak, when I say to you that if I, by some accident, should be injured or killed in the city of Washington to-night, there are thousands of colored men who would sell their last blanket or shirt to come to Washington to look after my remains. What is the reason? Because I have befriended them, and they never forget a friend; they never lose sight of a kindness. Now, gentlemen, so far as making a speech is concerned, I am not here for that purpose, but I should like to answer reasonable questions in regard to the sub-treasury bill as far as I possibly can. I am honest when I tell you that the bill is the very best thing we farmers can make, possibly; the best we can do. You can do better. We know you can. You have legal talent among you. You have all the advantages, and what we ask is not that you give us the sub-treasury bill as we have framed it, but give us that or a better bill. We know that you

can better the bill. We do not doubt that. We only ask that you give us this sub-treasury bill or some better bill. Now there are some other questions gentlemen may want to ask, and I do not want to leave the floor hurriedly. I do not want to occupy your time too much, either.

Senator Blair. Let me ask you one question. You get eighty per cent when you deposit the cotton?

Mr. Humphrey. Yes, sir.

Senator Blair. And you get some certificate that entitles you to the other twenty per cent in money.

Mr. Humphrey. I suppose that would be just the way. Received of G. H. one bale of cotton weighing 480 pounds, valued at so and so; class so and so; paid him so many dollars on that. Then as a matter of course he would see how much remained due.

Senator Blair. You would get a certificate for the balance, payable at what time, at the end of the year?

Mr. Humphrey. No, sir; when this cotton was sold, if there was a remainder after paying back the debt due, the owner would get it.

The Chairman. The certificate would be for eighty per cent.

Senator Blair. On what?

Mr. Humphrey. The value of the cotton.

Senator Blair. How would the value of the cotton be determined?

Mr. Humphrey. Would be classified just like it is now and listed. The price of it would be listed then just as it is now.

Senator Blair. You would go by the prices prevailing at that time!

Mr. Humphrey. By the quotations of that day. The warehouses would stop the fluctuation any further. The price of cotton one season, say the first of May, would be the same as at another. The farmer when he planted his crop would know what he was working for, just as a salaried man. It would absolutely evaporate the business of fluctuation and dealing in futures higher than "High Eden." It would be blown away.

Senator Blair. Do you think the colored man would keep the certificate for this balance, or the white man for that matter, as a rule, or would he sell that for what he could get at the time? Would not that go into the hands of the speculators? The law might prescribe that these certificates shall not be transferable.

Senator George. But this bill prescribes that these certificates shall be negotiable.

Mr. Humphrey. My understanding of that part of the merit of the bill is that I would certainly move to amend.

Senator George. And make them non-negotiable?

Mr. Humphrey. Yes, sir; and non-negotiable, that would be my idea. I am only one member of this thing.

Senator Blair. You would not have then assignable at all?

Mr. Humphrey. No, sir.

Senator Blair. So that nobody could collect them but the man who deposited the cotton?

Mr. Humphrey. That is it; yes, sir; such a paper not negotiable or assignable, might be deposited in bank.

Senator George. Oh, no, it could not. Banks only deal in negotiable paper.

Mr. Humphrey. But it could be deposited in banks. The Chairman. If you should deposit a collateral of any kind at the bank, and upon that should receive an advance or loan, you would have to make a blank assignment or an assignment in full of the collateral you deposited. Otherwise the bank would not have it.

Mr. Humphrey. I do not think it is necessary to make that certificate for twenty per cent assignable or negotiable at all. I think the man who sells the cotton had better hold that certificate. Just the same transactions have been occurring in my State every day in the year. A. B. sends me or a merchant ten bales of cotton and receives an advance of \$35 a bale on that cotton, or whatever per cent you may name. Very well, C. D., the merchant, receives the cotton and instructions, and steps over to the bank and has the bill of lading filed away and sends this man so many dollars.

Senator Blair. Would you make this law so that every man who raises cotton must put it into deposit, or would you allow everybody to trade as he wants?

Mr. Humphreys. I would make it so that he would be free to deposit his cotton or not as he chose.

Senator Blair. Would not that leave you subject to fluctuation and perhaps an increased fluctuation?

Mr. Humphrey. No, sir.

Senator Blair. You could not eliminate this speculative element in human nature. There would be some effort to get this cotton.

Mr. Humphrey. We might not absolutely eliminate it, but we would do this. We have to draw on New York and draw every dollar now to pay for the cotton crop and—

Senator Blair. And you would have to draw on the Government?

Mr. Humphrey. The Government is naturally more able to bear the burden.

Senator Blair. What would the Government have to advance?

Mr. Humphrey. As much as fifty millions in a year. It might be called on to advance fifty millions.

Senator Blair. As for other crops in the same year; have you ever calculated what the wheat crop and the corn crop would require?

Mr. Humphrey. No, sir; I cannot answer for the wheat crop. The things I am interested in are the negro and his cotton crop. Somebody else must answer for the wheat crop.

Senator Blair. The committee or whoever makes the law has to answer for all the crops?

Mr. Humphrey. I will produce you a gentleman who will answer for the wheat crop.

Senator Blair. Here is the scheme and those who advance it ought to be able to answer questions, if they are natural and sensible questions for which the men who makes the laws have to be responsible.

Mr. Humphrey. I am trying to answer. I will answer any question I am able, but when I get to a question I am not able to answer I will frankly tell you so. We shall probably call on the Government in September, October and November for \$50,000,000 of money to handle the cotton crop. When the cotton is sold it will be repaid to the Government in time.

Senator Blair. Do you think \$50,000,000 will be enough?

Mr. Humphrey. I am satisfied we shall never use that.

Senator Blair. There are 7,000,000 bales of cotton. About how much is it worth a bale?

Mr. Humphrey. About \$40 a bale probably. Do not count that all into the warehouse.

Senator Jones. What becomes of the balance?

Mr. Humphrey. It will be sold at once. Men would lose sight of their intent to speculate. Down in our country, where they used to skin us with speculation, we have, without the aid of law, stopped all that. We have stopped all the minor speculations that were brought against us. We have in this case, however, a speculation so heavy that we cannot handle it. It is impossible. This fluctuation in prices never can be handled, I say, except by the power that issues money to the country.

The Chairman. Is it your idea that this system should be inaugurated that it would do away with dealing in futures?

Mr. Humphrey. Yes, sir. It will kill the bucket shops.

The Chairman. The whole speculative element in the market would be eliminated?

Mr. Humphrey. Yes, sir, at once.

Senator George. Mr. Humphrey is representing a class of persons I have some knowledge of myself. You of course know that there is a very great difference in the classification of cotton. It runs from what I believe is called inferior to what they call fair. There are inferior, low ordinary, good ordinary, low middling, and middling.

Mr. Humphrey. Strict low middling.

Senator George. That is not in the classification. Then there is good middling and then we have fair, I believe, or middling fair, and fair. There are nine different classes of cotton. There are some half grades besides.

Mr. Humphrey. Yes, sir.

Senator George. All these classifications bring different prices. The prices are graded according to that. Now, is not the classification of cotton, except as between very low grades and high grades, where there are three or four grades difference, is it not a very difficult thing to do to distinguish between them? Does it not require an expert?

Mr. Humphrey. Yes, sir; but it is the easiest thing in the world, gentlemen, when a man is accustomed to it.

Senator George. How many colored men do you know who are capable of classing cotton as between the three grades of low middling, middling and good middling?

Mr. Humphrey. I doubt if I am acquainted with a colored cotton classer who can not make the assignment.

Senator George. Do you think that is true of the white people?

Mr. Humphrey. No, sir; they do not learn that sort of thing as fast as the negro.

Senator George. You think all colored farmers can assign and sample cotton?

Mr. Humphrey. In a general way.

Senator George. As to the classification between the grades I have mentioned.

Mr. Humphrey. I will not undertake to say that they can assign it to put it into the newspaper.

Senator George. But for all practical purposes?

Mr. Humphrey. Yes, sir; they can do that.

Senator George. The most of them can.

Mr. Humphrey. Yes, sir.

Senator George. And that is not true of the white farmers?

Mr. Humphrey. No, sir. That is my observation. The white farmers know nothing about it. The negro always knows.

Senator Jones. Do you attribute that to superior intelligence on the part of the negro?

Mr. Humphrey. No, sir; I do not consider it superior intelligence in the dog that he smells better than a human being.

Senator Jones. Do they classify cotton by smell?

Mr. Humphrey. No, sir. It is instinct. I do not consider that they can do it on account of being bright or of superior intellect, or anything of that sort.

Senator Jones. What does the classification of cotton depend on?

Mr. Humphrey. Touch, handling, and sight.

Senator Jones. The cotton can not either see or feel?

Mr. Humphrey. It must be touched or seen.

Senator George. Then you think the colored men would be amply able to protect themselves at these warehouses against an improper classification by the manager?

Mr. Humphrey. I think so. I think so. I think they would be better protected than they are now, when they must deal with sharpers all over the country.

The Chairman. You mean the middle men?

Senator George. You think they would be amply protected?

Mr. Humphrey. I do think they would be. I am sure that no arrangement would be made in which they would not be protected.

Senator George. Do you think that the white farmers would be protected in the classification of cotton by this Government manager?

Senator Blair. Put a colored man in as manager. Then they would be protected.

Mr. Humphrey. I think so. I think that the whites would be protected, too. I do not know a white man who would intentionally cheat a colored man in the sampling of cotton, or a colored who would intentionally cheat a white man.

Senator George. You think, then, that the manager of the warehouse would give a fair classification?

Mr. Humphrey. I believe he would.

Senator Bate. Does not the classification of cotton depend upon how it is gathered and how it is put up? Does all the cotton grown in the same neighborhood come up to the same standard?

Mr. Humphrey. No, sir.

Senator Bate. A negro can see whether the cotton is clean or not, just as well as a white man.

Mr. Humphrey. I would go further on this evidence, because I think he knows.

Senator Bate. You think because the negroes as a class handle the cotton, pick it, and bale it, they know more about it than the white men.

Mr. Humphrey. I will whisper to you that I have a negro to select for me, because he knows more about it than I ever could learn.

I thank the committee for their courtesy.

THE National Economist Almanac is a hand-book of useful information, and contains information which should be, and which is not, general everywhere.

Official Organ of the National Farmers Alliance and Industrial Union.

Volume III.

Number 13.

THE NATIONAL ECONOMIST

SATURDAY, JUNE 14, 1890.

TABLE OF CONTENTS.

	Page.
THE DEMAND FOR MORE MONEY	193
MR. WINBOM AND THE CIRCULATION	196
POLITICAL ACTION	197
RAILWAYS, THEIR USES AND ABUSES (No. 56)	By James F. Hudson 201
APPLIED SCIENCE	By Dr. M. G. Elzey 202
FROM CORRESPONDENTS EVERYWHERE	208
A FINANCIAL HISTORY (No. 16)	By N. A. Dunning 195
STRONGER THAN THE STATES	By J. E. Bryant 198
EDUCATION NECESSARY TO SUCCEED	By J. A. Tett 198
INDIAN TERRITORY DOTS	By William Samuels 199
DIVISION OF MILITARY INFORMATION	202
SENATOR PETTIGREW TO A CONSTITUENT	203
A SENSIBLE VIEW	206
REFORM PRESS	207

WASHINGTON, D. C.

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

Lecturer Ben Terrell's Appointments.
Wisconsin, June 12th to June 17th.
Missouri, June 19th to July 10th.
Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

KANSAS.

Larned, Saturday, July 12.
Anthony, Monday, July 14.
Marion, Tuesday, July 15.
Ottawa, Wednesday, July 16.
La Cygne, Thursday, July 17.
Girard, Saturday, July 19.

INDIAN TERRITORY.

Pauls Valley, July 22.
Dougherty, July 24.
Colbert, July 26.
Caddo, July 28.
Eufala, 2 p. m., July 30.

J. B. DINES,
MISSOURI FARMERS ALLIANCE BUSINESS
AGENCY,

317 Olive Street, St. Louis, Mo.

SPECIAL ARRANGEMENTS TO HANDLE WOOL IN
LARGE OR SMALL QUANTITIES.

Central Point for purchase and sale of Flour,
Grain, Provisions, Machinery and Merchandise.
Best rate yet obtained on Alliance seals and
badges.

Holton Stock Farm,
ROB'T E. PARK, PROPRIETOR,
HOLTON, BIBB COUNTY, GEORGIA.
E. T. V. & G. R. R. Eight miles from Macon.

IMPORTED SHETLAND PONIES.
REGISTERED BERKSHIRE PIGS.
REGISTERED JERSEY CATTLE

Of best Butter Families.
Several handsome Jersey Bull Calves, thorough
bred and graded Jersey Heifers for sale.
Address

ROBERT E. PARK,
MACON, GA.
Mention ECONOMIST.

SCHOOL SUPPLIES.

If you want the best desks, the best "aids to
school discipline," slated paper, or any other
style of black boards, or any other "tools to
work with" in the school-room, such as maps,
globes, charts, or black boards, the best thing
to do is to write to the J. B. Merwin School Supply
Co., St. Louis, Mo., for special introductory
prices on these articles. This firm furnishes
the best goods at the lowest prices, and will
take pleasure in answering all inquiries. Ad-
dress the

J. B. MERWIN SCHOOL SUPPLY CO.,
1104 Pine street, St. Louis, Mo.

We speak from personal knowledge, as we
have dealt with this firm.—[Ed.]

THE FINEST ON EARTH.

The CINCINNATI, HAMILTON & DAYTON
R. R. is the ONLY LINE running PULLMAN'S
PERFECTED SAFETY VESTIBULED TRAINS,
with Chair, Parlor, Sleeping and Dining Car ser-
vice between Cincinnati, Indianapolis and Chi-
cago, and is the ONLY LINE running THROUGH
RECLINING CHAIR CARS between Cincinnati,
Keokuk and Springfield, Ill., and Combination
Chair and Sleeping Cars from Cincinnati to
Peoria, Ill., and the ONLY DIRECT LINE be-
tween Cincinnati, Dayton, Lima, Toledo, Detroit
the Lake Regions and Canada.

The road is one of the oldest in the State of
Ohio, and the only line entering Cincinnati over
twenty-five miles of double track, and from its
past record can more than assure its patrons
speed, comfort, and safety.

Tickets on sale everywhere, and see that they
read C. H. & D., either in or out of Cincinnati,
Indianapolis, or Toledo.

E. O. McCORMICK,
General Passenger and Ticket Agent.

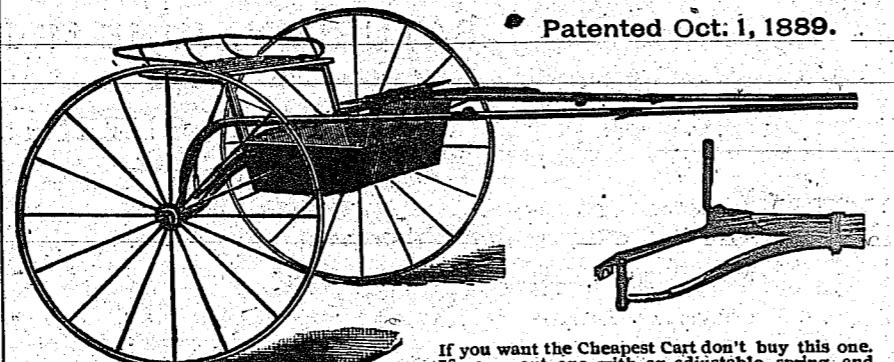


TWO PASSENGER CART \$25.00
OPEN BUGGY WITH FULL LAZY BACK, Trimmed with LEATHER, 65.00
OAK TAN LEATHER HARNESS, 9.50
Where we have no Agents we sell at Wholesale Prices to the consumer to introduce our work.

You now have a chance to buy a \$60.00 Leather Top Buggy, with Leather Trimming, Hickory Wheels, Steel Axles and Tire for \$45.50. All goods warranted and tested before it leaves the Factory. We sell for Cash only, and have no losses, therefore undersell all our competitors. Will ship to your station, with privilege to examine before paying. Write at once to the U. S. BUGGY & CART COMPANY, CINCINNATI, O. C. R. MILLER, Sedalia, Mo., writes: "The \$45.00 Buggy received is worth there \$100.00. \$5.25 Harness are nicer than some sold there at \$14.50." Such letters received every day.

BUCKEYE SCALE BEAM CARTS. SOLID OR SLAT BOTTOM.

Patented Oct. 1, 1889.



If you want the Cheapest Cart don't buy this one. If you want one with an adjustable spring and seat, one that is easy riding and made of the best material, then buy the Buckeye. Write for prices and catalogue. Manufactured by

THE J. H. McLAIN MACHINE CO., Canton, Ohio.

**Washington Seminary,
ATLANTA, GEORGIA.**
BOARDING AND DAY SCHOOL FOR GIRLS.

THE MUSIC SCHOOL
Is under the direction of ALFREDO BARILL.
MRS. BAYLOR STEWART, Principal.

FARMERS Saw & Grist Mill
and Larger. CATALOGUE FREE. Address
DELOACH MILL CO., ATLANTA, GA.

**M. G. ELLZEY & SONS,
BREEDERS & FANCERS.**

Roadsters, Carriage and Saddle Horses, South-
downs (pure Walsingham strain), Bronze
Turkeys, Pit Games, Pigeons.
Address M. G. ELLZEY, M. D.,
WOODSTOCK, HOWARD COUNTY, MD.

T. A. CLAYTON,
Agent of the Farmers Union Commercial Asso-
ciation of Louisiana, Limited.

198 Gravier st., New Orleans, La.
Headquarters for purchase of Sugar, Molasses,
Coffee and Rice, and for sale of Cotton, Staves,
and all country produce.

E. O. MCCORMICK,
General Passenger and Ticket Agent.

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., JUNE 14, 1890.

NO. 13.

THE DEMAND FOR MORE MONEY.

Since the passage of the act of April 12, 1866, until the present time the volume of circulating medium has been more or less rapidly, but nevertheless surely, contracted from use among the people. It has now reached a point when but few persons of understanding will deny that there is a pressing demand for an increase of currency. President Harrison, Secretary Windom and a majority of both parties in Congress, subscribe to the fact that this condition is real and not fancied, yet nothing is being done to remedy the evil. The question, therefore, of an increase in the amount of currency among the people becomes one of vital importance, and should receive the most careful attention. This subject is no longer confined to any particular class of individuals, or to either political party, but is fast becoming recognized as an imperative national necessity. That something must be done in this direction all are willing to admit, but just what to do has become a matter of great difference of opinion. A little thought will show the folly of demanding at this late day an issue of a certain amount of money per capita, or a sufficient sum to do the business of the country on a cash basis. These requests have been made often before, and as often has an overflowing treasury, or a congested condition of the banks been pointed out as an argument for an already sufficient volume. Congress has been empowered since the constitution was formed to make money in any quantity it might consider practicable. To this extent, then, these demands could be readily granted, but the root of the whole difficulty lies in getting the money out among the people after it has been made and lies in the vaults of the treasury. This is the one phase of the question the banks understand well, and have made ample provisions for, that the people generally have overlooked. It is not the power to make more money that Congress needs; it has an abundant authority now. It is an equitable plan of placing it among the people after it is made that is just at present demanded.

There are but two methods of obtaining money from the Government, by purchase or by loan, either of which under the present system is much too expensive for general purposes. Some contend that the Government can furnish a sufficient amount of currency through its disbursements for the necessary ex-

penses of keeping up the different departments. This might have some bearing on the question were it not for the fact that the Government pays out only that which has been previously taken from the people by taxation; no increase of the volume of currency can be expected from that source until national expenses exceed the national income. The proposition to loan an adequate amount of money to the people through some safe and legitimate means that will meet the requirements of trade and relieve their distress, is not only a just measure for consideration, but appeals to the judgment and patriotism of all good citizens. There is no use at this late day for any person to assume that Government loans to the people are unconstitutional; the statement can not be maintained. All national paper issues are and have been based upon this principle, whether acknowledged or not. The United States notes (greenbacks) were issued upon that theory, and are with us now by reason of its being enforced. The national bank currency is simply a loan and nothing else, however much the fact may be covered up by technical terms. It is a special privilege granted to a privileged few, and is a loan from the Government in the very fullness of that term.

It may be well at this point to explain the conditions of the present branches of the currency, as some might infer that an increase can be made in some one or all of them. The present law grants unlimited coinage to gold, and a further issue of national bank notes, but the coinage of silver is limited to two million dollars per month, or about 40 cents per capita per annum, while the greenbacks have been confined to a certain amount for the past twelve years. The commercial value of the entire product of silver and gold for 1888 was only \$76,195,000. Of this about \$16,000,000 was used in the industrial arts, leaving about \$60,000,000 for use as coin. When it is known that the demand for alien interest and dividends will require more than double this amount, it is perfectly plain that no addition to the domestic currency can be looked for from that source. National bank issues have become unprofitable by reason of higher prices for bonds, and instead of an increase in that direction there is a positive and rapid decrease. Viewed, therefore, from any standpoint, the fact is clearly apparent that the volume of currency is becoming less each month, and there is no method

known to the present laws by which an increase can be made direct to the people. As population and business increase the currency becomes more contracted, and the demand for an increase becomes more imperative. It was because of such conditions, and for the purpose of furnishing the producer with a cheap and sufficient medium of exchange, that the sub-treasury plan was prepared. Men who were competent gave the proposition their best thought and careful examination. In doing so they discovered at once that if the farmer bought money of the Government, it must be through the agency of large contractors, which made it too expensive; or, if it was loaned from the Government it must be done through the banks, which also rendered it too dear for use. To obviate this difficulty and relieve labor in production of its heaviest burden, the principle of a cheap, flexible volume of currency were evolved and clothed with the details of the sub-treasury system. The people at once recognized the fairness of the proposition and realized to a large extent the great benefits that would surely follow its adoption. While some did not understand the details, or comprehend fully its principles, yet it was the initial move in the right direction, and the people welcomed it as the beginning of the end of financial tyranny. This is the only measure that ever challenged the attention of Congress toward a flexible volume of currency issued safely and with little expense direct to the producer. Instead of conceding an honesty of purpose to those who proposed this measure of relief, their motives have been impugned and the proposition treated with contempt. Instead of acting the wise part of true statesmen by carefully examining the underlying principles of the bill, its details have been ridiculed and the petitions for its enactment have been thrown aside without thought or care. Advantage has been taken to discuss its details in both House and Senate while as yet it is unreported, a course all fair minded men should deprecate. Letters have also been written and opinions given by the score, but among them all is found absolutely nothing against the cardinal principles upon which it is founded, a cheap, flexible volume of currency issued direct to the people without being weighted down with tribute to any corporation. Neither has a better or less objectionable measure been proposed. Those who have thus far attacked the bill have done so at the expense of their past record. The plea of unconstitutionality and the unfair but effective method of opposition through ridicule seems to have been reserved especially for measures demanded by the farmers. Such conditions and treatment cannot always endure, and the end may come much sooner than those who are now so positive and dictatorial may desire.

JUDAS betrayed the Master with a kiss. There are a few newspapers claiming to be devoted to the inter-

ests of the order that are fighting the sub-treasury bill. But so hard pressed are they for a pretext upon which to oppose the measure that they can only condemn it because somebody who advocates it is visionary! Ye gods! what a silly spectacle to see men condemning a wise economic measure because some fool has endorsed it!! Yet such is the case, and some papers are actually fighting it on that ground. Still it is not strange, for that is the only ground for objection to the measure, and objection they must have, because they belong to their masters who are enemies to the order, and in whose service they must labor as traitors to the cause they ostensibly represent. Of course their masters, the plutocrats, pat them on the back with approving smiles, but really they, with all other people, must have a contempt for such Judases.

THE Treasury statement for May shows a contraction in the currency of \$6,800,122. Just when this will be returned to the channels of business depends entirely upon the individual notion of the Secretary. If in his wisdom he decides to withdraw a similar sum during the present month it will doubtless show in the next statement. If on the contrary he chooses to anticipate the interest on some outstanding bonds to help Wall street out of a squeeze or aid the banks in some other manner he may conclude to let it loose. The amount of currency among the people at present depends quite largely upon the condition of the Secretary's liver.

THERE is need for more currency. Is it to be supplied by money based on debt, or by money based on value produced by labor? This question is presented to those who are engaged in devising plans of issue. The Alliance proposes to utilize products.

MEMBERS of the Alliance everywhere will regret the misfortune which has caused the temporary withdrawal of State Lecturer J. Brad Beverly, of Virginia, from the work he has been so ably performing in his State. The cyclone which swept through Kentucky and West Virginia recently rounded up in Fauquier county, damaging Mr. Beverly and his neighbors very materially. That gentleman lost everything planted, and the hail destroyed his permanent grass. His presence is required at home to save everything possible from the wreck of his farm and timber, hence his temporary withdrawal from the work. Fortunately no lives were lost. The sufferers were in large part members of the order in the entire route of the storm.

STATE Lecturer R. W. Coleman, of Mississippi, after spending several days in Washington, where he was a most appreciated visitor to THE ECONOMIST, left for Michigan last week to engage for a few weeks in working for the order in that State. Brother Coleman will represent THE ECONOMIST in his travels.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 16.

President Johnson in his message to Congress December, 1868, took strong grounds against the demands of the bondholders and declared they had already received more as interest than they had originally paid for the bonds, and recommended that future interest should be applied toward the payment of the principal until the whole bonded debt should be wiped out. This he calculated would require about sixteen years. This declaration of the President brought out the cry of repudiation and showed the bondholders that their demands would be contested. Nothing was done during the first part of the session, but during the last days of the administration what is known as the Public Credit Strengthening Act was introduced and became a law March 18, 1869. The act reads as follows:

That in order to remove any doubt as to the purpose of the Government to discharge all just obligations to the public creditors, and to settle conflicting questions and interpretations of the laws by virtue of which such obligations have been contracted, it is hereby provided and declared that the faith of the United States is solemnly pledged to the payment in coin or its equivalent of all the obligations of the United States not bearing interest, known as United States notes, and of all the interest bearing obligations of the United States, except in cases where the law authorizing the issue of any such obligation has expressly provided that the same may be paid in lawful money or other currency than gold and silver. But none of said interest-bearing obligations not already due shall be redeemed or paid before maturity unless at such time United States notes shall be convertible into coin at the option of the holder, or unless at such time bonds of the United States bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. And the United States also solemnly pledges its faith to make provision at the earliest practicable period for the redemption of the United States notes in coin.

The question now is, what does this act mean? What was it put upon the statute books for? It stands there to day as it did in 1869, and has never been repealed; but to the contrary has been re-enacted in the revision of the statutes three different times since —June 22, 1874, March 2, 1877, and March 9, 1878, which provides that —

When printed and promulgated as herein provided, the printed volume shall be legal evidence of the laws in all the courts of the United States, and of the several States and Territories, but shall not preclude reference to nor control in case of any discrepancy the effect of any original act as passed by Congress since the 1st day of December, 1873.

This statute is a general law designed to effect and control issues of Government bonds. It was carefully worded, so there might be no mistake as to its promises and purposes. For in no other terms could the public credit be strengthened. Its object was to give the public a positive pledge that all bonds might be paid before maturity in case the credit of the Government should so improve that it would be economy to issue and sell at par a bond drawing a less rate of

interest than the bonds to be redeemed. No one can read this act without noticing the great care taken in its construction. It shows at once that careful wording which usually follows an analysis of any subject made by strong minds. Such was the case in regard to this bill. The ablest men in both House and Senate took part in the discussion which this measure brought out. Much time was consumed and a number of conferences were held before the bill finally became a law. It was the people on one side and the bondholders on the other, with Congress acting as agent of both. Every word was carefully considered, and every paragraph expressed a purpose in respect to the meaning of which there could be no mistake. The compact entered into was this: The Government agreed not to pay these bonds before maturity, and they had from ten to fifteen years yet to run, unless before that time greenbacks (United States notes) could be converted into coin if desired, and bonds bearing a lower rate of interest than those to be redeemed could be sold at par for coin. The people agreed to this on the one hand with the promise of reduced interest, the bondholders on the other hand expecting to gain by the increased value of the bonds. Even Mr. Stevens gave the measure his support. Notice was given to the world in this public statute that under the conditions so minutely and exactly described this right of national sovereignty would be exercised, and in no other manner. That was nothing less than the right to redeem these bonds at any time when others could be sold at par in coin at a lower rate of interest. It is upon this construction of the act that the further purchase of bonds at a premium should be stopped and every dollar called in and redeemed as the plain provision of this law contemplated. It is no repudiation of outstanding contracts, and will simply relieve the people of the payment of about \$150,000,000 more tribute in the shape of premiums in addition to the \$42,000,000 already paid. Congress should attend to this matter at once.

THE section of the sub-treasury bill that a few wise-
acres are trying to make the farmers believe is unconstitutional is a copy of Mr. Windom's silver bill, except that it provides for the deposit of a different commodity; yet no democrat or republican, bond or free, saint or sinner, has intimated that the Windom silver bill is unconstitutional. Verily, "kissing goes by favor."

AN open enemy is better than a secret foe. It is well to watch those friends of the order who have an ax to grind. And it is still better to watch those who are so extremely anxious to acquire a reputation for their devotion to the order that they claim a monopoly of that sentiment.

MR. WINDOM AND THE CIRCULATION.

BY N. A. DUNNING.

Secretary Windom concludes his reply with the following:

The concluding paragraph of the article enumerates ten kinds of currency said to be in use June 30, 1866. The total is stated to be \$1,863,400,216, which, divided among 35,810,251 inhabitants, would give \$52.01 per capita. Unfortunately, no less than six out of the ten items enumerated were interest-bearing obligations of the Government, which were not at that time, and have not since been, in general use as money. The aggregate amount of these obligations which should be deducted from the total of so-called currency above given is \$1,130,154,477, leaving only \$733,254,739 as the amount of circulation, and even this included cash held in the Treasury, the amount being \$81,281,650.55, exclusive of gold coin. If this amount be deducted, as it should be, the actual circulation could be shown by THE ECONOMIST's own figures to have been, on June 30, 1866, little more than \$650,000,000. This amount, divided among 35,810,281 inhabitants, would give only \$18.15 per capita instead of \$52.01, as stated.

Mr. Windom seems to have reserved his comments in detailed statements and figures for the concluding paragraph. In this he is particularly unfortunate, as the following excerpts from reliable authorities will plainly show. The six items referred to as not being used as currency are the one-year notes of 1867, two-year notes of 1868, compound-interest notes, 7-30 notes, temporary-loan (ten-day certificates), and certificates of indebtedness. While all money is currency, all currency is not money. The legal-tender qualities of money are given it for the purpose of paying debts, which implies its use as a medium of exchange. This quality is of no real value or benefit unless put to such service. One strong point, therefore, against the statement of the Secretary is that section 2 of the act of March 3, 1863, makes the one and two-year notes "a legal tender for their face value, excluding interest." The same act declares coin certificates receivable for duties on imports, and also compound-interest bearing notes "to be a legal tender for their face value."

Section 2 of the act of June 30, 1864, referring to the 7-30s and their sale, provides:

And the said Treasury notes may be disposed of by the Secretary of the Treasury, on the best terms that can be obtained, for lawful money; and such of them as shall be made payable, principal and interest, at maturity, shall be a legal tender to the same extent as United States notes for their face value, excluding interest.

This act shows that the legal tender quality applied to that issue of \$200,000,000. There are some doubts, however, in regard to the last issue of 7-30s being a legal tender. It is well known to all who were then engaged in business that they were used as currency. So much for the legal tender portion of the question. Mr. Windom very aptly supplies the words "general use" in his statement; which can be construed to mean much or little, as the case requires. The inference is, however, that this amount of currency, outstanding is admitted, but its general use denied. Upon that point I will give the statements of others whose position enabled them to judge as accurately as

Mr. Windom. W. P. Fessenden, Secretary of the Treasury, in his report, December 6, 1864, said:

Of 5 per cent interest-bearing notes there were outstanding the 1st of November last \$120,519,110. To a considerable extent these notes have been and will continue to be used as currency. * * * The total amount of interest-bearing notes outstanding on the 22d of November last was \$219,222,870.

U. S. Treasurer Spinner in his report gives a "recapitulation of all kinds of Government papers that were issued as money, or that were ever in any way used as a circulating medium, and that remained outstanding and unpaid on the 30th day of June, 1869: 7-30's, old issue; 7-30's, new issue; temporary loan certificates; certificates of indebtedness; 6 per cent compound notes; 3 per cent certificates; old two year 6 per cent notes; one year 5 per cent notes; two year 5 per cent notes; two year 5 per cent compound notes; gold certificates."

President Grant in his message to Congress, December 2, 1873, said:

During the last four years the currency has been contracted, directly by the withdrawal of 3 per cent certificates, compound-interest notes and 7-30 bonds outstanding on the 4th of March, 1869, (all of which took the place of legal-tenders in the bank reserves) to the extent of \$63,000,000.

But perhaps the most convincing evidence, especially to Mr. Windom, is the report of his own subordinate, Treasurer Huston, who, in his report for 1869, regarding the outstanding paper currency enumerates among others, a portion of the one and two year notes, together with compound-interest notes as in circulation at the present time. Enough has been shown by the acts of Congress, and from the statements of men who could not be mistaken, that the amount of currency as given by me is not only correct but was in use as money. Every one in business during that period must remember that all these different kinds of currency were in use, and even the 5-20 bonds in some instances did service as well. In my estimate of currency I took no account of the gold or silver, or other forms of currency mentioned by Treasurer Spinner, but estimated they would fully offset the amount held in the Treasury and banks.

In conclusion, let me ask Secretary Windom in the name of the plain people of this country to send out the statement of the public finances in such a form that all may understand it. As it is now given out, there is not one person in ten thousand who can even approximate at what the real financial condition of the country is. Because of this intricacy the people are suspicious that its complication is due to a desire to cover up some irregularities. If he will send out a statement as plain and simple as a grocer's bill, I am sure he would merit the everlasting gratitude of the public generally, and dispel this unpleasant suspicion. Let him remember the consternation his statement of last summer produced which showed an increase of about \$7,000,000 in the national debt, and also the

astonishment disclosed when by the same figures he was enabled to explain, satisfactorily to himself at least, that instead of being an increase of this amount there was really a decrease of more than double that sum. Such a system of book-keeping may serve well as a piece of jugglery, or an example of what can be done with figures, but for every day use the people would much prefer something less complicated. Perhaps it was this method of book-keeping that enabled his predecessor to rectify an error in the financial report of 1865 of \$204,744,445.28, without the people, as a rule, knowing anything about it.

Political Action.

We, your committee recommend:

1. That a legislative board be created, to be known as the "Legislative Board of the Farmers Alliance and Industrial Union of Washington County, Arkansas."
2. That the members of the Alliance and Union create a "Township Board" for each township in the county, and that members of all labor organizations be entitled to a seat in said board.
3. That each "Township Board" shall have a chairman and secretary.
4. That each township board shall, at a meeting called for that purpose, elect two delegates to the legislative board of the Farmers Alliance and Industrial Union of Washington County, Arkansas. One of said delegates to be a Republican and the other a Democrat, provided the township board has members of the two parties named, if not they shall elect only one delegate.
5. The legislative board shall be composed of the township board provided for in section 4 of these articles, and immediately upon assembly shall form two branches, to be known as the Democratic branch and the Republican branch of said Legislative Board.
6. Each branch shall elect an executive committee from themselves.
7. It shall be the duty of the executive committee of each branch to interview the candidates seeking nominations before the respective parties and submit to them the demands of the labor organizations, and allow those that are willing to pledge themselves, and the executive committees shall meet and make written report of the result of their labors to the chairman and secretary of the legislative board, and said chairman and secretary shall have said reports printed, and mail at least five copies to the chairman of each township board.
8. The chairman of each township board shall call a meeting of the township, after receiving reports referred to in section 6, upon the day and date set forth by the chairman of the legislative board, for the purpose of holding a primary election among themselves, each party within itself, as to which of the candidates the members will support in the regular party primary election or convention.

9. The secretary and chairman of the township boards shall make returns of the result of the primary election to the executive committees of the two branches of the legislative board in a joint meeting to be held by the chairman and secretary of the legislative board, and the executive committee chairman

and secretary shall report back to the township boards the result of said primaries.

10. That the members are requested, but not required, to support the candidates within their respective parties at the regular party primary election or convention that has been endorsed by a plurality of our members in our township board primaries; thereby securing unity of action among our brethren with their respective parties.

11. That the legislative board have nothing to do with county candidates, but confine their work to candidates for the State legislature and senate, State officers and candidates for Congress.

12. That in order to place this movement upon a tangible basis, that this county union appoint a chairman and secretary of the legislative board, whose term of office shall expire immediately upon the convening of the delegates elected by the township boards as herein provided, and then said legislative board shall elect its chairman and secretary.

13. The chairman appointed as provided in section 12 shall appoint township chairmen, who shall call township meetings as provided by the chairman of the legislative board. The township boards shall upon their assembly elect their chairman and secretary.

14. The chairman, secretary and executive committee of the two branches of the legislative board shall formulate the demands in accordance with our national and State demands.

E. M. MACY,
P. A. DUTERROW,
J. R. RUTHERFORD,
Committee.

The above report was adopted by an unanimous vote of the Farmers and Laborers Union of Washington County, at a meeting held at Cross Roads school house, May 9, 1890, and E. M. Macy, J. D. Powell and W. F. Bell appointed a committee to have 1,000 copies printed, and turned over to the chairman of the legislative board for distribution throughout the county.

THE colony of Virginia, early in the eighteenth century, adopted tobacco as a currency. It was deposited in warehouses, and the receipts for it passed as currency. It was true money, based on real value, but subject to fluctuation. There never has been a currency which did not so fluctuate, and there is no evidence that this Virginia money did not maintain an evenness equal to the gold and silver money now current. If wheat, the intrinsic value of which is invariable, will buy 50 per cent more gold one month than another in average years, gold must be a terrible hand at fluctuation.

IT would have been far better had Mr. Carlisle read the sub-treasury plan before writing that letter. He would have learned something about the proposed system, and could have written a letter more worthy the man and the position he occupies. As it is, his comments are the weakest and most puerile of them all, and that is, perhaps, putting it rather strong. Great men in some things dwindle down quite small in others.

Stronger than the States.

BY J. E. BRYAN, OF FAYETTEVILLE, ARK.

The Kansas City Journal, one of the leading Western Republican journals, in its weekly issue of April 17, heads an editorial, "Another Triumph for Dressed Beef," and seems to chuckle with delight that the States in their legislative efforts to check this monster monopoly have so far made signal failures. In evident glee it says: "Which State will be the next to try a meat inspection law?"

The legislators of several different States have labored to develop and frame a law that would at least give common people a chance for trade competition in the line of supplying beef for the toiling millions, who must have meat to eat at reasonable prices or go hungry. The Journal says: "In one State after another where legislation has been adopted to exclude the product of the dressed-beef concerns it has been declared unconstitutional just as soon as a test case could be brought."

Which we would say that the people, through their direct representatives, are feeling the need of checking a power that is growing abnormally strong and exercising privileges that are interfering with the good of the people. The Journal further says:

The latest State legislature to pass a meat inspection bill was that of Virginia, and Judge Hughes, of the United States court in Richmond, has just tendered a decision upon the appeal of Armour & Co., declaring that the law is contrary to the Federal Constitution.

The legislature of Virginia attempted what other legislatures have attempted and failed of success in doing. Certainly, "Which State will be the next" to measure strength with a private "concern" and find itself badly worsted? The appeal in the State of Virginia, mind you, is by "Armour & Co.," of Kansas City and Chicago. Why does this State, at the Eastern seaboard, feel the need of this contest with a "concern" largely located west of the Mississippi River? It cannot be because of any commercial rivalry. If this "concern" were benefiting the people by furnishing cheap and wholesome meats, then the plain duty of Virginia or any other State would be to foster and encourage the operations of this "concern" within its borders. Evidently these States have not so looked upon the workings of this dressed-beef "concern" as to see special benefits arising therefrom, but on the contrary have seen and do see that they are detrimental and in various ways injurious to the citizens whose rights and welfare they are set to protect. In closing its article the Journal says:

The Virginia law, like all the other meat-inspection laws that have been passed, was intended as a blow to the dressed-beef industry, and like all other laws it has failed.

It is no doubt true that these inspection laws were intended as a blow to the dressed-beef industry, but evidently not with a successful weapon, for these laws have failed. The Federal courts have pronounced them unconstitutional, and they are left like dead flies on the pages of the statute books.

All this points with an index not to be mistaken to the startling fact that there is at least one business "concern" that is stronger than the States. The creature has outgrown its creator, and turns with its giant strength to beat down the power that gave it life. This power over, and scorn of State authority

would not seem so strange if this "concern" were a "national corporation," but as it is, and necessarily must have been, a corporation created by the power of some one State, how does it grow to such proportions as to over-ride and defy the legislative authority of other States? If these inspection laws interfere with inter-state commerce, how is it that this dressed-beef "concern" can interfere with inter-state commerce by forcing its trade in the towns and cities of all the States in the Union? Yet with these things meeting us on every hand, Congress dillydallies all winter in a pretended examination into the operations of this "concern," and then virtually declares it has no power to control such combines.

We have thus presented for our consideration a combine that is stronger than the States, and declared to constitutionally exist, and yet the national Congress seems to not dare lay its little finger on this combine to check or crush its power. It is a well-known fact that this "big-four" dressed-beef "concern" is virtually controlling the beef and cattle market of the United States to day. Yet when six or seven of the strongest States in the Union develop and enact laws to check its depredations it snaps its fingers in their faces and says: "The Federal courts will sustain us." Is it not about time to call a halt and inquire whether we are drifting?

Education Necessary to Succeed.

BY J. A. TERRY, OF RUSTON, LA.

You know that popular opinion is said to be the power that controls parties. Whether this be true or not, we have a question now confronting us that I think is of the utmost importance. At St. Louis the representatives of the Farmers and Laborers Union set forward the demands of the order, and one of those demands is now in tangible form in the sub-treasury scheme introduced into both houses of our national Congress. The question confronting us now is this, are our people sufficiently educated in the merits of the scheme to give it their full and unequivocal support? If not, the merits of the scheme should be placed before them, with such power that every member capable of understanding its beneficial effect would be sure to do all in his power for it, even to the extent of voting in a new party organization if necessary. My opinion is that hundreds of thousands of copies of the bill, with explanations of its effects, should be printed and distributed all over our land. Of course it is the duty of every editor of the labor press to keep the substance of the bill before the people and show where it would bless our people, but there are many thousands who do not take the labor journals and who could be reached by these "tract" publications. Our order ought to have a fund for this purpose, but unfortunately it has not, for it is one of the most powerful educators we can use—dozens of men can read a "tract" where but one would be likely to read a labor paper. When our people are properly educated in the principles of political economy they will either impress their opinions on the already existing political organizations, or will form new ones. I am of the opinion that the present organizations are so wedded to precedent that with the present sentiment of the people they will not endorse any radical reform measure as their "war-cry," but will live on another term hoping for some disaster to befall labor union, or that they will be able to soothe

our distress with another sugar-teat like the tariff question or bullion speculation. I hope that the committee on legislation will be able to impress upon the coinage committee the importance of fixing the value of bullion, and thereby stop another distinction between different kinds of dollars in the United States. I think I can see a disposition to fix another scheme whereby American labor can be robbed in leaving the value of silver to be fixed by speculators. It is the duty of the Government to fix the value of silver bullion as much as to fix the number of grains in a gold dollar. If this matter is left to speculators they will be able to cause fluctuations in the value of silver, and by taking advantage of these fluctuations enrich themselves. If government has the right to coin money and fix the value thereof, it is its imperative duty to fix the price bullion on which it issues certificates that it will be called upon to redeem.

I hope the legislative committee will watch these matters, and keep pouring light on them, so that our people can become informed on them as fast as they are presented to them. I do not like to ask you to do any free advertising, but ask the use of your columns to point out a little pamphlet that will do more good in giving light on the finance question than any other book of its size and price in the world. I allude to the "Seven Financial Conspiracies," by Mrs. Emery. It is a condensed exposition of the corrupt legislation that has brought about ruin to thousands of homes and placed mortgages on thousands of farms. The book, if it could be placed in the hands of every voter, together with a copy and explanation of the sub-treasury plan, would show him where he should look for relief. The little work is published by H. & L. Vincent, Winfield, Kan., and costs 15 cents, or \$1.50 per dozen.

This, taken with the Economist Almanac, makes the lecturer of the subordinate Alliance an interesting and useful member, and gives him a shield of impenetrable armor in which he is invincible when attacked by the old party slaves, who believe all the ills we suffer arise from too much tariff. It is true that the tariff laws need reform, but it is folly to ascribe low prices to tariff while we have to do business with less than half enough money, and have to pay interest on a bonded debt equal to our circulating medium.

Indian Territory Dots.

BY WILLIAM SAMUELS.

When I arrived in this country about two months ago the Alliance cause was almost unknown. Since that time I have organized eleven sub Alliances and one district Alliance, and could have done nearly as much more had I not been hindered so much by bad weather. I have more calls now to visit different localities than I can fill, and you may depend on it the Alliance brethren means business in this country. I attended the first meeting of Delaware district Alliance since its organization. It convened April 4, with Sagar Alliance. No doubt this was the grandest meeting ever held by the Alliance in this country. The delegation was large and great interest was manifested. Notwithstanding most of the members were new ones, yet one object seemed to be the aim of all, and that was to inaugurate among themselves a system of co-operation in buying and selling. After the importance of co-operation was fully discussed, active

steps were taken to carry the measure into effect. The importance of reading some good newspaper was discussed also, and I, of course, presented the claims of THE NATIONAL ECONOMIST, after which the vote was taken in favor of that paper. So you may look for a goodly number of subscribers.

AMONG members of the Alliance in Congress who have endeavored to secure the needed relief to the people Hon. Clarke Lewis is a conspicuous figure. While under the disadvantage incident to new membership, this gentleman has introduced a bill to repeal the law providing a sinking fund, which awaits action by the House. He has sought opportunity to bring before Congress a resolution to investigate the bond forgery exposed by Mr. Plumb, of Illinois, two years ago, but was denied the floor. Among the most concise and truest arraignments of the monetary system yet published is that of Mr. Lewis in a speech on the tariff, delivered May 17, to which the attention of members of the order is called as proposing a true remedy of more money on the people's products.

In 1870 Congress passed a funding bill which authorized the sale or exchange at par for other bonds of fifteen hundred millions of interest-bearing bonds, to run ten, twenty, and thirty years, with interest and principal payable in coin. Soon after this the closing act in national tragedy was performed. February 12,

1873, Congress passed an act dropping the standard silver dollar from our coinage, and in 1875 passed an act which demonetized silver. This act, of course, made all debts, public and private, payable in gold, established a new basis of value, and largely increased the burdens of the debtor class. Now, what the people want is not higher tariff taxation, but the free and unlimited coinage of silver and reissuance of more money by the Government. For more than twenty years bondholders, bankers, and capitalists have sought to contract the circulating medium in order to make their money more valuable. In 1866 the circulation per capita was \$52. Since that time, under the financial policy of our Government, dictated by capitalists and bankers, the circulation per capita has been gradually and continuously, with the exception of three years—1882, 1883, 1884—reduced, until now it is less than \$5 per capita. With the contraction of the currency, business has been depressed and failures have multiplied. In 1867 there were 2,780 failures, with liabilities amounting to \$96,666,000. In 1889 there were 10,882 failures, with liabilities amounting to \$248,789,387. We want more money and must have it.

If you want to help the farmers, and also laborers of every class and condition, give the farmers a circulating medium, based on the seven billion dollars' worth of produce that they raise every year. They will then be prosperous, and all other classes and conditions will feel the impulse of new life and vigor. The farmers of this country have organized for self-protection, and have flung their banner to the breeze, and with uplifted lance they accept the gage of battle, so long and defiantly offered by the incorporators of combines and trusts, banded together to plunder them and devour their substance, and never will they lower that banner until the righteous purposes of their organization shall have been accomplished.

THE NATIONAL ECONOMIST.
OFFICIAL ORGAN OF THE
NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
PUBLISHED WEEKLY AT WASHINGTON, D. C.
BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are twenty-five cents per page line. Discounts for time and space furnished on application, stating character of advertisement required.

The publishers of this paper have given a bond in the sum of \$50,000 to the President of the Farmers and Laborers Union of America that they will faithfully carry out all subscriptions and other contracts.

The following is the resolution unanimously adopted at the national meeting in St. Louis:

Whereas THE NATIONAL ECONOMIST, our adopted official national organ, has so boldly and fearlessly advocated our cause and defended our principles; therefore,

Be it resolved by this National body, That we heartily approve of the course it has pursued and recommend that every member of the order should subscribe and read the paper as one of the best means of education in the way of industrial freedom.

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

ENTERED AT THE POST-OFFICE AT WASHINGTON, D. C., AS SECOND-CLASS
MAIL MATTER.

J. H. TURNER, Secretary, 511 Ninth street N. W., has made arrangements by which he can send Alliance seals, prepaid, to every address for \$2.25.

If Mr. Windom's estimate of the amount of money in circulation be as correct as he claims it to be, it is still subject to a very material reduction on account of what has been lost, worn out, exported for recoinage, and coin converted to other uses, because he takes the gross amount coined or issued and subtracts what is in the treasury, and calls the balance in circulation. It is plain that these amounts should be subtracted in order to get the actual amount in circulation. Money melted into some other form or lost, destroyed or worn out, is not in circulation. If only an average of four million dollars per year has been withdrawn from circulation for all these purposes for the last hundred years, the gross amount now in circulation and hoarded by banks and by individuals, according to Mr. Windom's own figures, is about one billion dollars. The interest at six per cent on alien investments in the United States is now admitted by the most conservative to be not less than \$250,000,000 per annum. If this be true, it will be just four years until the foreign invasion now going on in this country shall amount to a practical and complete conquest, because it will absorb every dollar of the money of this nation, and thereby control all the property, and by that means enslave the people. In the American vernacular, this contracted volume is a "soft thing" for the alien investor who contemplates conquest; and little as the common people think about it, the

American plutocrat would rather see alien conquest with the establishment of an aristocracy, or empire of plutocracy, than to longer strive to maintain the unjust supremacy of wealth by the expensive corruption-fund methods now forced upon him by the discontent of the "inconvenient multitude." The intelligence of the people is now the only hope.

Ingham (Mich.) County News says:

The First National Bank of this city, whose charter will expire next October, has paid \$12,735.40 in government taxes during the nearly twenty years of its existence. The national banks of the country have paid nearly \$140,000,000 in taxes. There is an effort being made before this Congress to have this amount refunded to the banks, upon the grounds that its collection is illegal because the bill to tax the banks originated in the Senate; that all bills levying taxes should originate in the House. Should this become a law there will be no occasion for a while to cry "reduce the surplus."

As matters are now going there is not the least doubt but such a bill will pass. It is because of this that bank officials, and every one connected with the United States Treasury, insist upon calling this sum paid by the banks a tax, and not interest. If it is to be construed as a tax, which it will be when it comes into court, then it may be refunded; but if it is interest paid on a loan, then this opportunity for plunder is lost.

WHAT the business of this country needs most is a circulating medium that corresponds with the telegraph, the telephone, the railroad and the steamship. While great improvements have been made upon every other factor that enters into commercial transactions, the old barbaric ideas relating to money which obtained in the days of Abraham still exist. Nothing has since been done to furnish a medium of exchange for the people by which the people themselves have been benefited. Just so long as this foolish superstition regarding money is permitted to exist, just so long will labor be robbed of its rights, and "the power of money to oppress" be felt throughout the land.

PROFESSOR WILLIAM G. SUMNER, of Yale College, some years ago published "A History of American Currency," evidently intended to strengthen the movement then prevailing to contract the volume of money to one metal. The entire argument seems to be to sustain the metal fetish, so that whatever he may state is friendly to contraction. Detailing the trials of the early Massachusetts settlers, he tells of the wampum beads in use by the aborigines, after adopted by the colonists and made a legal tender. Hard money though he was, he says: "These beads and belts were used by the Indians themselves as money, and were real money." The value settled upon by the colonists was six white and three black beads for a penny. The whites caused some trouble

by counterfeiting, though Mr. Sumner's reason for rating wampum as money, that it was the product of labor, would rouse inquiry as to the nature of the counterfeit. The Indians divided their labors, some hunting and fishing, and some, who lived on the shore, making wampum. The beach Indians, like the modern miners, made as much as they chose or could, and the product of their labor was subject to supply and demand. Wampum was made up into jewelry, and thus passed out of circulation. It is easy to see that whatever claim to "blue blood" there may have been among these children of the forest was confined to those who lived in the salt air, as those in the interior must have suffered from control of the currency in the hands of the few, the suffering increasing with the distance. From scarcity of money the Pilgrim Fathers at one time made current musket balls, valued for exchange at three for a farthing.

BRADSTREET, May 31, 1890, says:

The latest departure of the German government in the effort making to meet the conditions presenting themselves in industrial lines is reviewed in a recent issue of Kuhlow's. Examination of the details of the new workmen's protection bill shows that the results growing out of the compulsory insurance laws, while good as far as they go, are regarded as lacking the merit of not going far enough in certain directions, and the provisions of the new bill are believed to be sufficiently novel and important to accomplish much more than the laws referred to. In recent German publications the young emperor gets considerable, and no doubt deserved, credit for furthering, if not actually fathering, much of the expected legislation. Many of the conclusions reached in the late Labor Conference, which, it will be remembered, was assembled in response to the invitation of the emperor, are embodied in the new, but in addition to these many new features not touched upon in the conference are also introduced. Perhaps the most notable features treated of in the new bill are those regarding Sunday rest and the restriction of work by women and children. Existing regulations for the protection of life, health and morality are also rendered more complete. Legal protection against breach of contract on the part of employees or employers is also rendered more complete.

Some will hold up their hands in holy horror and say this is paternalism. Well, what of it? Is it not better to show a paternalism toward the helpless than in favor of the strong? Is it not better to place the weaker in a condition of defense even at the risk of paternalism than to permit them for want of it to be continually despoiled?

The Ottumwa (Iowa) World wants to know what caused the advance in the price of corn.

There is not much fear of a failure of the crop this year. We have not heard of any extra demand for corn in any part of the world. Is it not probable that one reason of this rise is that most of the corn is in the hands of speculators? In Kansas and Nebraska most of the corn has left the producer's hands at 12 to 13 cents. Now, after most of the farmers have been compelled to sell at that price to satisfy interest on debts, and the corn is in the hands of middlemen, the price goes up to 20 and 25 cents.

RAILWAYS, THEIR USES AND ABUSES.
Their Effect Upon Republican Institutions and Productive Industries.

BY JAMES F. HUDSON,
Author of "The Railways and the Republic."

No. 56.

THE ROBBERY OF THE MASSES.

The foregoing articles, showing the nature of competition and the results of interference with its natural workings, enable us to reach a definite conclusion as to the moral and public character of combinations designed to suspend competition and fix arbitrary prices upon the products controlled by the trusts or pools.

It has been shown that the natural force of competition is the only spontaneous influence which appurts capital and labor into the departments of industry where they are most needed; which will divide the reward of effort among those who apply labor and capital to the great work of production in accordance with their natural and legitimate dues, which will give to each department of industry that portion of the profits of surplus production that naturally belongs to each, and which will fix prices in accordance with the just and, in the long run, beneficial law of supply and demand. It is the force which places a premium upon intelligent foresight and industry, and which inevitably produces the upward development of industrial and business efforts, by enacting the inexorable penalty of extinction and failure for indolence, dishonesty and recklessness.

Wherever it is most general and universal in its action, there the distribution of wealth is the widest, and the greater number of the masses share in the growth of prosperity. Wherever competition is hampered, restricted, or abolished, there monopolies arise, and great fortunes are established at the expense of a large mass of people whose wealth is hardly sufficient to tide them over a single season of depression or idleness.

Beyond that the fact has been clearly brought out, that the plea that competition is oppressive, destructive of profit, and grinds down the masses of the people, is wholly unjustified by the circumstances. It is not where competition is free that such unfortunate results are apparent. It is where competition is restricted and interfered with by the method which has been adopted in the pursuit of the combination policy. It is the uneven action of competition, forcing its stress entirely upon a single class or interest, that produces such depression. It is where a combination is enabled, by its superior strength, to appropriate to itself more than its share of the surplus of production of the country that the rest of industry is necessarily obliged to accept a decreased share, and therefore suffers the absence or diminution of profit, which is generally recognized as depression. It is by means of combination that the wages of labor is crowded down, both by the combinations which abolish competition for the services of various classes of labor, and by those which decrease the reward of labor by adding to the cost of life. In short, competition secures the widest benefit to the masses; combination seeks, and often succeeds in appropriating the benefits of industry which should be distributed among the

masses, and giving them exclusively to favored classes.

This makes the purpose of combination clear beyond any possible shadow of doubt. They are for the purpose of appropriating the share of production or profit that, under competition, would fall to the masses of the people. They are intended to direct the uneven force of competition against those whose circumstances render it impossible to form combinations, and thus to secure the greater advantage and the enhanced profit that can be obtained by a privileged few from fixed prices free from the force of competition. The nature of corners, which, by obtaining a temporary control of either the supply or demand of a certain staple, are used to extort a great profit from the necessities of those who cannot wait until the corner is over, is justly made the subject of universal denunciation. But combinations, in trusts and pools, are practically permanent corners. They are based upon the same principle of a control of the supply, with the intention of taking advantage of the necessities of those who must buy the staple at the terms fixed by the combination. The temporary nature of the corner often makes its results most disastrous to those who undertake it. The permanent nature of the combination, if it is successful in its existence, makes it far more oppressive upon the people, and multiplies by an infinite factor the injustice and wrong to the masses. Many combinations are so weak as to fail in their efforts; but to just exactly the extent in which each combination is successful, to that extent it draws its enhanced profits from the pockets of the consumers and producers of the country. When the Sugar Trust succeeds in increasing its profits by the control of the refining of sugar \$30,000,000 per year, that means exactly \$30,000,000 withdrawn from the prosperity of the masses. In other words, the purpose of combination is to seize wealth which belongs to the masses and concentrate it in the hands of the classes.

This purpose, and the means which are so widely resorted to for its attainment, have long been recognized by the law as illegal and unjust. This point was clearly brought out at the beginning of these articles. The very foundation of our government, necessitates the legal declaration that combinations to restrain trade, to create monopolies and suppress competition, are contrary to our constitution, are opposed to the very spirit of our laws, and are forbidden wherever they exist. Decisions to this effect from the highest courts have been made before the foundation of the government, in the period when the system of Anglo-Saxon law commenced to work out a common law theory of the rights of the public. The same principles have been adhered to ever since, and the decisions of the courts which have been made while this series of articles was in progress are sufficient to establish this point, that every combination which seeks to suspend competition and establish arbitrary prices is outlawed by the common law, and will not be recognized in the courts. This fact is emphasized by the law already passed by each branch of Congress, which, while almost pitiful in its fear to adopt severe measures against the trusts is a sufficiently cogent declaration of the illegal character of all such combinations.

Now, what is the moral character of a method of obtaining property which is declared by our system of common law to be illegal, and has repeatedly been

condemned by the court, but which is still pursued for the purpose of securing wealth, which, under the legal system of competition would be distributed among the masses? There is but one word which can properly describe these illegal methods of securing wealth that legally belongs to other people. That word is robbery. It is one of the most terrible indications of the demoralization of commerce and wealth, that the greatest and most successful business men are ready and willing to use this dishonest and illegal means of increasing their wealth at the cost of the people. The courts declare such organizations illegal, and still the organizations continue their operations. Congress and the State legislatures pass acts forbidding them, and these vast congregations of dishonest wealth exhibit their power to override the legislature and defy the court for the oppression of the people, by keeping up their existence in defiance alike of common and statute law. The corporations which compose the vast majority of these combinations owe their very existence to legislation. The wealth which they have created, even by the illegitimate means under review, is protected by the law. But when the law-making power and the judicial declaration of the principles of law require them to abandon their illegal practices, by which they absorb the wealth that should be distributed among the masses, they exhibit at once their ingratitude and selfishness to the power that created and protects them, and their belief that they are higher and mightier than the law-making power and the nation by itself, by refusing to obey the law and continuing their illegal practice for the sake of the dishonest and oppressive gain which it is their very nature to seek.

This is the summary of all the efforts to increase profits by the combinations which seek to suspend competition and enhance profit by arbitrary prices. Some of them may be more successful than others, but they are all efforts to dishonestly and illegally seize the profits which under the system of free and legitimate competition legally and rightfully belong to the masses.

Division of Military Information.

The following circular letter has been going the rounds of the press for some time:

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE, WASHINGTON, Feb. 20, 1890.

To the Adjutant General of the State of Ohio:

SIR: For some time past this Department, under the order and sanction of the Secretary of War, has been occupied in the collection of military information of a general character relating not only to our own country but to foreign armies, fortifications, etc. of foreign powers, and a division styled "The Division of Military Information" has been created in this office where such information is compiled and filed for future reference. In the course of our examination it has become evident that much valuable data relative to the national guards of the several States and Territories can be furnished by the adjutant-generals thereof, and in this view I have the honor to request that you will at the earliest practical date supply the information designated concerning the troops of your State. It is especially desired that this inquiry and any subsequent correspondence in the matter may be considered as strictly confidential,

the object of the Department being to obtain this and like information in a quiet manner and to preserve the same until needed. The items particularly desired at this present time are as follows, to wit:

1. Location and strength of the various organizations, by regiments, independent companies, troops and batteries, together with a statement as to the proportions of each that could be relied upon for prompt active service for nine months—the full period which the law allows them to be called out by the President; which is the best drilled as skirmishers, which contains the most expert riflemen.

2. The least time required by divisions, brigades and regiments for concentration within the State at Cleveland in case of emergency by the most rapid means of transportation.

3. A statement showing the character and amount of ammunition, clothing, camp and garrison equipment and wagon transportation on hand and needed by the troops in case they should be required to concentrate at a given point to repel foreign invasion or prevent domestic violence of magnitude.

4. Any other information which you may deem valuable to the general government, bearing upon this general subject of the use of the militia, in conjunction with the national forces, in the event of a sudden war with a foreign power.

I am sir, very respectfully, your obedient servant,

R. C. DRUM, *Adj't Gen.*

General Drum was retired from active service May 20, 1889, and therefore could not have issued the circular at the date given. Desiring to know the exact truth in regard to the matter a letter was addressed to the War Department asking for such information which elicited the following reply:

SIR: I beg to acknowledge the receipt of your communication of yesterday, with enclosure, and in reply to say that I have nothing to communicate with regard to the confidential correspondence of my predecessor.

Very respectfully,

J. C. KELTON,
Adjutant General.

While this letter does not give the date of the circular it is a confession that such a document was sent from that department which is sufficient to fill all good citizens with the gravest apprehensions. Now that this department has acknowledged the sending out of one such circular, it is but fair to presume that others of similar character have followed, and that to-day under the surveillance of this "division of military information" the people of this country are really living under martial law surreptitiously administered. This "division" was created wholly without authority of law, and is a conspicuous example of how little attention is given to the provisions of the statutes by Government departments. The sentiments contained in this circular are reflected in the militia bill now before Congress, the passage of which is urged by the War Department. Now is the time to put an end to such encroachments upon the civil rights of citizens. If this duty is much longer neglected the people will find, when quite too late, that while they trusted they were betrayed.

Well you know, or ought to, at least, that the sub-treasury bill—a cash system of finance—is nearer just than a bonded system of finance for the people, and for which they annually pay tribute. You are mistaken in your superficial estimate of the people of South Dakota. Our business men are looking upon this movement interestedly, for well they know if a system be born under which the banking plutocrats

Senator Pettigrew to a Constituent.

WASHINGTON, D. C., May 22, 1890.

E. W. SHULTZ, ESQ., KIMBALL, S. DAKOTA.

DEAR SIR: I received your petition with regard to the sub-treasury bill, have examined the bill with care, and can not support it. It is impracticable in all its features, and the most absurd piece of legislation I have ever seen presented. I am very sorry I can not agree with you and your people in regard to this matter, but I am certain the majority of the people of Dakota, you and your friends among the number, if you were thoroughly acquainted with the provisions of the bill would not be in favor of it yourselves.

Yours truly,

R. F. PETTIGREW.

AN OPEN LETTER.

KIMBALL, S. DAKOTA, MAY 30, 1890.

R. F. PETTIGREW, WASHINGTON, D. C.

HON. SIR: Your favor of 22d inst. to hand and noted. You say the sub-treasury bill "is impracticable in all its features." Assertions, honorable sir, are easily made; we would be pleased to have you point out the impracticalities of the bill. Again you say, "I am certain the majority of the people in Dakota, you and your friends among the number, if you were thoroughly acquainted with the provisions of this bill would not be in favor of it yourselves." The bill has been very thoroughly investigated by the people

people who have been oppressed by the present financial system, and believe they know what they wish of their servants, the honorable senators of the United States. As a business man, you are no doubt averse to individuals doing business on the credit system—a system degrading in all its financial tendency to all debtors. Yet from the tone of your letter, you appear to favor the present system of finance, of a national indebtedness, and which makes all wealth-producers bow in servitude to the plutocrats of America. Bow, in that they pay interest on indebtedness forced upon them by the money-powers of Europe and America, and not only pay interest upon a large non-essential indebtedness, but throw into the hands of this money power the lever of oppression, which lever is the contraction of the peoples circulating medium.

Well do you know, or ought to, at least, that our country is rich in productions that can be deposited—and that without involving national indebtedness to pay 3 per cent per annum upon—which is as good as gold or bonds; and demands or commands either or both.

Honorable sir, would not such a system of finance as set forth in the sub treasury bill be par excellence a national bonding system of finance? The farmer is now made to pay an increment to the Government (the people), the latter—the bonding system—compelling the Government (the people) to pay tribute to the money power.

Well you know, or should at least, that the sub-treasury bill—a cash system of finance—is nearer just than a bonded system of finance for the people, and for which they annually pay tribute. You are mistaken in your superficial estimate of the people of South Dakota. Our business men are looking upon this movement interestedly, for well they know if a system be born under which the banking plutocrats

are unable to contract the circulating medium that the farmers, and laborers, too, will retain the proceeds of honest toil. Retain enough, more too, to pay their obligations. And not only obligations will the laboring classes cancel under a system of finance uncontrolled by banks, but honorable business men are aware that under the sub-treasury bill farmers and wage workers could buy more. And are you willing to assert they do not need more? Our business men are aware of the fact, too, that under the provisions of the sub-treasury bill that farmers and laborers could buy five dollars' worth of merchandise, where, under the present system of finance, they buy one.

Honorable sir, should not the people's wish prompt you to action in this matter? or are you by right of American institutions the people's dictator? I submit this to yourself, an unprejudiced people, and the "inconvenient multitude" for decision.

Yours respectfully,

E. W. SHULZ.

REPRESENTATIVE BOATNER in reply to a letter from one of his constituents, says:

The law requires each bank to maintain a circulation equal to one-fourth its capital stock, and in order that the notes issued by these banks may be safe and good money, the Government guarantees payment of the same, requiring the banks to deposit as security for this guaranty her own bonds, exceeding the amount of currency issued by the banks by 10 per centum.

In this statement Mr. Boatner makes a grievous mistake. Section 8 of the act of March 29, 1886, provides:

That the national banks now organized or hereafter organized, having a capital of \$150,000 or less, shall not be required to keep on deposit with the Treasurer of the United States bonds in excess of one-fourth of their capital stock as security for their circulating notes. * * * * Provided, That the amount of such circulating notes shall not exceed in any case 90 per centum of the par value of the bonds deposited as herein provided.

Banks with a greater capital than \$150,000 are compelled to deposit only \$50,000 in bonds as a minimum amount. In fact, there are eleven national banks, with a capital of \$13,050,000, that have only \$462,500 in bonds deposited, and they have not a single dollar of circulation. There is no law requiring a national bank to take out any circulation at all, much less to maintain in circulation an amount equal to one-fourth of its capital stock, as Mr. Boatner asserts.

The Comptroller of the Currency, in his last report, places the capital stock of all the national banks at \$612,584,005, and their circulation at only \$128,450,600. If Mr. Boatner's position is true, the amount in circulation should have been \$153,146,023, quite a difference. Mr. Boatner, by his defense of the national banks, and his excuse for not making an effort to improve the internal revenue laws, discloses the true cause for his attack upon the sub-treasury plan. If his ignorance is as dense in regard to this bill as he has shown it to be concerning national bank issues, there is an abundant excuse for his illogical, ill-mannered, and presumptuous letter.

THE Alliance Sentinel (Lansing, Mich.) puts it to those extreme individualists thus:

We never expect to equalize brain and muscle, but because you are powerful in brain and muscle is no reason why you should have special laws to enable you to take advantage of the fool. The fool came into this world without being consulted. He is here to stay—he is healthy. Hands off, gentlemen, give him a chance. Thus saith the Alliance.

APPLIED SCIENCE

In Agricultural and Rural Economy.

EDITED BY DR. M. C. ELZEY, OF WOODSTOCK, MD.

DIVERSIFICATION OF CROPS.

No fact in agricultural practice is more fully established than that no soil constantly produces the same crop without ultimate deterioration of the productive power of the soil, and more or less rapid decline of the yield. By changing the crop a more satisfactory yield is at once secured. This is the foundation of the systems of regular rotation of crops which everywhere have so strong a hold upon the minds of practical agriculturists. The advantage of such systems is unquestioned, especially when a fallow crop such as clover or the field pea enters into the rotation. Such a rotation, based on a green fallow, embracing the field crops best adapted to the locality, and supported at the weak points by animal manures and commercial fertilizers, is the *ne plus ultra* of both theory and practice of scientific agriculture. We are advised now to throw out of the rotation staple crops best adapted to our soil, and to bring into their places a little of this, that and the other gathered together from here, there and everywhere under promise of "protection" and "drawbacks." This, in the name of science; and they tell us, never smiling, that "figures can not lie." That foolish lie has been oftener told and better believed than any other one lie ever invented. We have been told very lately that above three hundred million worth of foreign agricultural produce comes in competition with the produce of American agriculture. Do those figures lie, or do they show the truth? Is ivory included by those a product figure of the farm? Three hundred millions is the size of that lie. A batch of this kind of figures can in one minute overshadow Baron Munchausen for all time. American farmers have too much sense to be muddling their business after that fashion. No American farmer is going to drop wheat out of his rotation and go into ivory. It is true of many such things as we grow incidentally that we easily produce more than is wanted. As, for example, melons, potatoes, tomatoes; but it is not true that the supply of the great agricultural staples, as breadstuffs and butcher's meat, can be pushed beyond normal demand by all the efforts of productive industry. On the other hand, *a la Hazzard*, it is not difficult by such beastly legislative tricks as the demonetization of silver to destroy normal demand through the control of labor, by controlling the volume of currency and so depressing wages. There has been much said about diversification of industries in the planting districts of the South, but that question has been a bit overdone by theorists who do not know anything of the actual economic conditions there prevailing, and controlling the results of the diversifying frenzy. It is easy to write, "grow your own hay, you cotton planters" and not know that the great enemy of cotton is grass; not know that, unless, perhaps, Japan clover, it is doubtful if any plant can be profitably grown for hay in many places where cotton can be and is profitably grown. In such a case is it advisable to replace a portion of the

cotton grown at a profit by hay grown, or attempted to be grown, at a loss? The money crop governs all the operations which may be undertaken subsidiary to it. Unquestionably at the South and elsewhere wherever agriculture is pursued there may be improvements in the practice adopted, but theorists, only partially acquainted with the facts, are not the persons most to be depended upon for suggestions of improvement. Too many are given to writing and advising without taking any trouble about the facts in the case. Hasty generalizations not supported by patient and thoughtful inductions do not advance science. Extravagant abuse of figures can not establish a fact, but may fatally mislead confiding followers. The abandonment of staple crops, proven by long experience well adapted to the soil and the culture and handling of which is well understood, is not a thing to be lightly advised.

A scientific rotation of crops is the essential feature of successful agriculture. Such a rotation ought to be simple rather than complex. It ought to embrace a green fallow crop and two or more money crops which should be those best adapted to the soil, and which will best bear transportation to market, both as to their physical condition and the cost of transportation. In this matter there will be room for the exercise of sound judgment, and a man in whom the mercantile faculty is strongly developed will for this reason succeed. In view of these facts it ought to be clear that indiscriminate advocacy of diversification of crops by theorists may prove to be very unsound advice. Attempts to introduce into the system all sorts of untried crops will be sure to involve considerable expense. Such experiments can be made by the rich, but the poor farmer who pays rent or carries a mortgage is often wholly unable to eke out even a few dollars for such a purpose. It must not be forgotten that there is generally no local or nearby market for a newly introduced product, and the shipment of the result of an experiment to a distant market will more probably involve loss than gain. A product from a new locality handled by persons inexperienced in its culture and preparation for market is not apt to be well received on an established market, and may be expected to bring a very low price, nearer the bottom than the top of the market.

Again, outside of the great food supply staples, and those which like cotton and tobacco are of commanding commercial importance, it is generally not difficult to so overproduce, as to break down the market. The great masses of purchasers are poor people whose purchases are confined almost exclusively to actual necessities of life. It is not, we believe, possible to overproduce the great food staples unless the purchasing ability of the great mass of consumers is first so reduced as to compel them to reduce their ration. What is the use of trying to sell oranges and lemons and figs to a man who is not able to buy the bread and meat needed by his family? Diversification of crops can not stimulate a market collapsed from inability of consumers to purchase necessities. Protection is a drastic which merely increases financial prostration. The disease of our people is financial anaemia; their ability to purchase is destroyed by the financial policy of the Government, which is strictly typified by the practice of Sangrado. "Protection" represents the hot water of that system; contraction and demonetization represent the blood let-

ting. The circulating volume of currency is the life-blood of productive industry which has been sapped away, and must be restored. How is it, moreover, that the farmer is advised to dabble in all sorts of things if he hopes to succeed? Is it not the jack-of-all-trades who is good at none? Ought the dry-goods merchant when trade runs low to take on a few drugs and a little whisky, a hogshead of several kinds of sugar, and some molasses and vinegar? *Ne sutor ultra crepidam*, is said to be the best of advice for the shoe-maker. If the cobbler is advised to stick to his last, why should not the farmer profit by his example and stick to the crops which he knows how to make. Piddling with all sorts of things while the staple crop of the farm suffers neglect, is a thing which may be carried far enough to ruin the farmer. This kind of advice is often both unscientific and unwise. More money and less taxes are the sovereign remedies for hard times, and not "protection and diversification."

"MODERN CONVENiences."

Cheap, worthless and defective plumbing often included in the flaring advertisement "all modern conveniences," has given a thriving business to fashionable undertakers. "These exhalations! What think you they portend?" "Hot lives and cold purses." How some mighty man, towering toward heaven, above the fellows, like soaring angels, grasp truth by inspiration? Before being tempted by the flaming flag of the house-agent with its "all-modern conveniences," to enter a death trap with your wife and little ones, think of "these exhalations!" and what they "portend.." Demand evidence that these "modern conveniences" are not death traps, and that such evidence in the shape of certificate after competent sanitary inspection be furnished at the expense of agent. Do you realize that a defective piece of plumbing may be a more dangerous and deadly enemy than a rattlesnake loose in a bed room? Know then that the sewer pipe has slain its thousands where there the rattlesnake has bitten its one. This is as true in country as in town; as true at the "health resort," as at the hospital; as true of the rural home as of the town tenement. Some light and fresh air are nature's great purifiers. A light place, a dry place, a clean place, is a safe place. A foul place, a damp place, a dark place, is a dangerous place. All these things apply to places where animals are kept as forcibly as to places of human abode. Look out for the water supply! Mark it, in the next six months many thousands of people will die from drinking contaminated water. Is not "an ounce of prevention better than a pound of cure?" Clean out the cellar! Clean out the spring! Clean out the stables! Clean out the fowl houses! Clean out the privies! Clean out the well! Clean out the ice house! Clean out the dairy! Burn up the trash, put lime everywhere, and let in air and light.

THE BUSINESS HORSE.

Horsemanship, in its broadest sense, is an accomplishment in which Americans are lacking. We wish to be understood as making a clear distinction between horsemanship and jockeyism. A good rough rider, or horse tamer, is one thing, an accomplished horseman another thing. We insist that real horsemanship is a distinguished accomplishment for a lady or gentleman. The time will never come when the

utility of this accomplishment will be superseded by the advance of civilization and the increase of modern conveniences. When railroads came many said now the horse must go, but he went not. On the contrary, when some years ago a sort of horse-grip swept the country from Canada to Panama, the railroads were nearly paralyzed. The business-horse is, we believe, an essential factor in human civilization. The race-horse, the parade-horse, the pleasure-horse all have their several utilities. The business-horse is an animal of general utility. The term general utility acts upon certain parties in a manner similar to the action of a red cloth on a male cow. These gentlemen, never suspecting the narrowness of specialism and the still greater narrowness of self interest, utterly repudiate the idea that such a thing as a general purpose horse does, or can have existence. The gentlemen are merely mistaken. We offer a description of a horse which we think a model of a general purpose horse, or business-horse. This horse belongs to a very intelligent and honest man who is a blacksmith, and owns also a small body of land which he cultivates. The horse in question is deeply bred in the blood of the old Vermont Black Hawk. He is a stallion 15 hand 2 inches high; a most beautiful bay color; rangy and very stylish, and weighs in good condition 1200 pounds. In a wagon or plough team there is not to be found a safer, steadier, or more effective work horse. Under the saddle he is a brilliant parade horse, a good hunter, or for a lady or gentleman along the highway as pleasant a saddler as this writer knows of at this time. In a buggy, dayton, or carriage, either single or double, he is as fine a driver as exists, and can be and is in fact often driven by a lady, and stands without hitching in the streets as quietly as any gelding. This animal, we think, measures fully up to the standard of the perfect horse for general utility.

We present him here in rebuttal of the notion that no horse can be excellent for all purposes. Granted freely that the best possible horse for a saddle is one kept and used for the saddle exclusively; bred, if you will, for the saddle exclusively; that a horse bred, trained, and practiced exclusively for fast driving is the very best for that purpose, and so for any and for every purpose for which horses are useful; granted all that, and that does not prove that the same horse may not excel in various uses, even many horses bred and trained for single uses, in the very work for which they have been especially developed.

The horse above described can trot faster in harness than many standard bred trotters of fashionable pedigree; he can beat many a standard bred hunter across country with the hounds and over fences and ditches.

The late Henry William Herbert, widely famous by his *nom de plume*, "Frank Forester," one of the best informed and most experienced horsemen who ever lived, declared that the old Vermont Morgans were the best business horses ever produced. That the writer agrees to that proposition is evidenced by the fact that he has kept the best branch of the Morgan family, to wit, the Black Hawk, all his life, and now has them purer in blood than any in existence, and yet believes they are the best business horses in the world.

A SENSIBLE VIEW.

Answering some objections to the sub-treasury bill, the Advocate (Topeka, Kan.) says:

The sub-treasury bill has received such well-nigh universal approval from the farmers and laborers all over the country, that it simply serves to break the monotony of the record when now and then a stray, solitary Alliance dissent is heard. At a not far distant day these Alliance dissenters will not be so lonely; they will be swallowed up in a crowd, but alas, the company which will encompass them round about will not be a familiar or friendly one. Now that the ware-house plan is fairly before the country as an impending legislative measure, it is receiving that hostile criticism which its founders well knew it would receive from the banking interest, from the loan and trust interest, the grain gamblers, and from all the politicians in Congress and out, who are in the service of the money power. It does not take long for an Alliance man to learn that any attitude toward this or any other measure which causes him to part company with his own people and places him in line with the classes, who have become wealthy and powerful at the expense of the prosperity of the masses, needs that careful study which will, without doubt, lead to a reversal of opinion. In these days the dividing line between the people and the plutocrats is sharply drawn.

The above is a clear statement of the situation and should be carefully considered by every member of the Alliance. There are three classes of people who are antagonizing this bill—

1. Those who honestly differ, and are anxious to know the truth.
2. Those who are jealous for various reasons, and had rather aid the opposition in its work of destruction than to have the measure succeed.

3. A class that seem to be on the increase, whose only method of obtaining public notice is by captious, foolish, or insulting opposition to such measures as are most generally conceded to be right. Because of this last condition their opposition appears all the more conspicuous.

This measure is too important, and the needs of the hour too great, to permit any waste of time or space upon the two last classes named. The old saying "that none are so blind as those who will not see," is applicable to their case and quite clearly explains their situation. Neither the selfishness of the one nor the folly of the other will count for much in the present contest. It is to the first-mentioned class that a duty is demanded. They are entitled to a respectful hearing, and their inquiries and objections should be carefully and candidly considered. When once convinced of the correctness and feasibility of the plan, they will be intelligent and most useful allies.

THE Anvil (Castroville, Tex.) treats the eight-hour question in the following style:

The protective feature of organized labor is suggested by unjust exactions imposed by capital. Labor would not insist on eight hours' work for ten hours' pay if capital did not enjoy 12 per cent interest on 3 per cent investments. Organization, therefore, with such ends in view is a policy rather than a principle. Absolute right and relative right do not always coincide.

THE REFORM-PRESS.

The Discussion of Current Topics in the Organized States.

The Monitor, formerly of Jefferson City, Mo., has moved to St. Louis. It comes looking bright and clean from its new quarters and promises to be a valuable addition to the labor literature of the State of Missouri. The Monitor says:

The two old parties stand on exactly the same ground on the money question, and they are both for the money sharks and against the people.

The Advocate (Topeka, Kan.), in a well considered editorial, says:

The policy of the classes will be to divide our strength. No means will be left untried to effect this purpose. Every possible element of discord will be introduced into our midst. Questions entirely foreign to those upon which our relief depends will be constantly thrust before us, and the wily, cunning, and the crafty strategy of the skilled politician will be constantly exercised to distract the attention of the people and create dissension in their ranks. In no State in the Union is the peril to political demagogues greater today than in the State of Kansas, and in no State will greater efforts be made to defeat the purposes of the people.

The Advocate also says:

The president is reported to have said that if a bill for the free coinage of silver shall depend upon Democratic votes for its passage, that he will veto it. We can scarcely credit such a report. If it be true, however, it is another proof of the necessity of the decapitation of the entire gang that has infested the capital city of the nation for many years, and the substitution of men in their places.

The Ruralist (Huron) finds human nature much the same in South Dakota as elsewhere:

It is the most astounding impudence of the age that such a body of men as the farmers and laborers of the United States should presume to have any independence worth making a fuss about. If this thing goes much further, there will have to be some measures taken to make them know their places. So long as they vote a machine-made ticket, they are all right, but should they presume to make a ticket, they will have to be taught to know their masters.

The Ruralist also says:

From the Congressional Record we find that Major Pickler in his remarks on the tariff bill interjected a ringing plea for the sub-treasury bill. If the Major had added, "And now, Mr. Speaker, until Congress will give heed to this cry of the farmers for relief, I shall vote No! on every financial measure," he would be the most popular man in South Dakota.

The Signal (Manhattan, Kan.) gives Alliance notes:

Ashland Alliance entertained Kaw Alliance last night with strawberries, ice cream, and cake. Secretary Miller said it sounded pretty extravagant for farmers, but they raised it all but the sugar.

The Signal says editorially:

Oh, yes! the farmers would enjoy a little tariff reform first rate, but just another shake of the tariff kaleidoscope they are not yearning for. They begin to dimly surmise that tariff speeches and platform declarations are not identical with tariff reform, and are further persuaded that there is another species of reform needed as the only means through which tariff reform can be effected. This reform consists in a thorough cleansing of the whole political machinery of the Government. The Alliance, by a pure system of ballot and primaries, thus decapitating professional politicians and electing incorruptible men from their own ranks, propose to accomplish this gigantic task.

The Highland Farmer (Somerset, Pa.) comes to THE ECONOMIST, volume 1, No. 1. It says:

The farmers' movement is on. There is no mistaking it; the movement is started and can not be stopped by the sneers and misrepresentations of those who are interested in having it stopped. Of course there is opposition developing; but it would be folly to suppose there would be no opposite influences. Everything that moves must have opposition—there must be a resisting medium in everything. All nature

is thus constituted. Society always tends toward centralization. The relations between men and classes are becoming every day more complex. The only remedy is organization. The farmers have found it out and they are organizing. The movement is as broad and long as the continent. It has scared the corporations, and the politicians in Congress. Its influence has already penetrated the frigid recesses of the United States Senate chamber. The Congressmen are hustling and the United States Senators are hustling. Yet there is nothing strange about it; the farmers are all powerful if they determine they will be, and nobody appreciates this fact more thoroughly than the politicians. The strangest feature of the movement is that there are still some persons who don't know that the movement exists. These fellows are destined to a rude awakening in the future; but what good will it do them. Some people only get information too late to do them any good.

The Southern Agriculturist (Homer, La.) is a new paper just to hand. It says:

The success of the Farmers Alliance means the emancipation of the farmers and laborers' wives, daughters, and mothers from the isolated slavery that now environs them. No intelligent people have ever been enslaved, no ignorant people have been found in any other condition than slavery. The great trouble with the farmers is they cultivate their muscles too much and their brains too little.

Free Speech (Hamburg, Iowa) says:

Congressmen try to look wise when they speak of the people's movement, and say it won't amount to much, but it chokes them just the same.

The Alma (Kan.) News says:

The professional politicians would give a good deal just now to know just how long this Farmers Alliance movement is going to last, and just to what extent its members will hold together in the elections this fall. They would better take up some other business for a few years while watching the progress of affairs.

The Industrial Union (Quicksburg, Va.) says:

The grand army of Alliance men is moving its forces steadily on to victory. The force of this powerful organization of the toiling masses is being felt all over the country, and it will be but a few years until they will have redeemed our country from the tyrannical power of money sharks and thieves who had been running the government, and robbing the entire agricultural interest of its just profits.

The Post, Washington, D. C., says:

In the House yesterday Representative Dockery, of Missouri, offered for reference a resolution calling on the Secretary of the Treasury for information as to why the 6,074,538 trade dollars held in the Treasury as assets have not been coined into standard silver dollars, as required by the law for the retirement of the trade dollar.

There is \$67,265,628 in gold bullion in the treasury also, why is that not coined into money? What is free coinage, anyhow?

The Marion County Farmers Alliance (Buena Vista, Ga.) says:

Suppose Mr. Carlisle should reply to the letter addressed to him by southern congressmen that in his opinion the sub-treasury plan is an unconstitutional measure? Does this make it so? We would notify our Georgia members that Governor Smith, of our own State, says he never had a doubt as to the constitutionality of the measure—pretty good home authority, gentlemen, if your minds are troubled.

Rural Home (Toisnot, N. C.); through such advice comes better legislation:

Brethren, before you agree to cast your vote for any one for legislature or Congress be sure that he is the right man and that his actions and promises are consistent with your demands.

The Alliance Tribune (Topeka, Kan.) says:

The election law in Missouri was evidently framed with the intention of preventing the organization of a new or independent party. Every person voting at the last election in that State was compelled to vote for either the Democratic or Republican candidates, because the law requires a party to cast at least three per cent of the total vote at the preceding election to be recognized. We believe that an American citizen who is eligible to vote at all has the right

to vote for whom he pleases and have his vote counted, and any laws contrary to this doctrine is unconstitutional. The Prohibitionists, Union Laborites or the Farmers Alliance should make a test case in that State."

Weekly Union (Luray, Va.) in an editorial on farm organizations says:

He sees that while he was borrowing money at a high rate of interest, or buying on credit with the expectation of making the proceeds of his labor pay the debt, his so-called friend and political counsellor had been manipulating government affairs so as to depreciate all values, which naturally drove the financial system into the hands of the money power, with a head center at Wall street. New systems were inaugurated, which empowered the rich to oppress the poor, and he had been one of the fellows who had been fooled by taffy and stick talk.

Clark (S. Dakota) Democrat says:

The news comes rapidly from over the United States that the Farmers Alliance is becoming more influential as it grows and is bound to accomplish great good. The old idea of the politicians that the farmers can not stick together is fast losing ground, and their wits are brought into play for something else whereby to delude the farmers.

The Cooke County Signal (Gainesville, Tex.) says:

Our newsdealers tell us that Republicans buy the Republic, thinking it is their party paper, and Democrats buy the Globe-Democrat, thinking it is their organ. Wonder if they are not twins, anyway?

The Progressive Farmer (Pueblo, Col.) shows up the system in two paragraphs:

A settler pays the speculator 25 per cent for money with which to purchase his pre-emption. The Government lends it back to the speculator at 1 per cent. Estimating that the money will make the circuit in thirty days, twelve farmers would use the same money during the year, the interest aggregating the astounding rate of 300 per cent per annum. Thus is agriculture fostered in a new country.

The farmer is one of the people and the people owe 3 per cent government bonds, therefore when a farmer mortgages his pre-emption at 25 per cent it is to obtain money to pay a 10 per cent premium for the privilege of discharging his own 3 per cent debt not yet due. This is financing.

FROM CORRESPONDENTS EVERYWHERE.

C. B. Doty, Canboro', Mich., writes encouragingly of the progress of organization in his State, and says, hope of reform and relief has been planted with the Alliance.

J. E. Robinson, secretary of Midway Union, Caddo parish, Louisiana, writes that stock is being taken up for a co-operative mercantile establishment, on a basis of \$100,000, in Shreveport, expecting to begin business August 1.

M. A. Drinkard, of Kirk, Texas, wants information of any records of the corruption of the Republican and Democratic parties. The Congressional Record is the most complete as to the facts; the condition of the people as to the effects.

Salathiel Fraser, of Shipton, Kansas, is evidently extreme. He says his sub voted against separate political action, but the subs in the vicinity usually favored it. He says: "I do not like sub-treasury plan altogether, but then I am going to support it unless something better comes up. I think it 80 per cent better than anything we ever have had."

E. W. Flake, of Polkton, N. C., hopes there will be no compromising of the sub-treasury plan. 1. Because a large portion of the farmers have their lands already mortgaged, so that those who most need help could not be benefited. 2. Because a large majority of Alliance members own no land. 3. It would be a temptation to foreclose. The brother is willing to include land, but not to exclude products.

John H. Humble incloses a clipping which is a fair sample of the attacks upon the sub-treasury plan, no doubt prompted by the position the union has taken upon the Louisiana State Lottery charter extension. There is no more reason to answer this than illogical attacks from any other source. The correspondent says: "Certainly the author thereof will never need to call on the Government for 'warehouse room' for his surplus grain, and the article would be unworthy of notice but for its appearing in such an influential paper as the Times-Democrat. One sample of the extortion we propose I can give from my own case. I make open-kettle

sugar and sell it at 4½ cents per pound. This same sugar is sold from three to five months later to my laborers and the farmers generally at 7½ cents per pound cash, and 10 cents 'on credit,' payable when crop is marketed in fall, and sugar again sold at 4½ cents, and other crops in proportion."

J. E. Read, of Gibbs, N. C., thinks that if but 817 sub-treasuries were established some farmers would live too far to avail of them. The effect of the system with that number of warehouses would be to change the customs of trade, and the price of products fifty miles away would be the warehouse price, less the expense of shipment to it or a more convenient market. The wheat raiser of the Northwest need not sell in Chicago, nor need the cotton planter sell in New Orleans, but the prices in those cities make the prices over the country. So price in the warehouse would make the price outside. The reduction in interest rate would also be forced in general trade, so that the benefit would accrue to all. The amount of money would be sufficient to move and market the crop, preserving prices not only for the warehoused product, but steadyng the market for every commodity. It would perhaps not require the brother's estimate of \$408,000,000 to do this, but if it did it would be forthcoming.

Amos L. Griffith writes from Eden, Ala., under the impression that the legislative committee, through its chairman, had antagonized the McClammy bill. This impression was derived from the newspapers. The representatives of the order at the capital will not antagonize any proposition to increase the volume of money, "full legal tender for all dues of every description, both public and private," and certainly believe with the brother that reduction of interest is an essential feature of reform. The objection of the legislative committee was that the McClammy bill was spoken of by the press as a substitute for the sub-treasury plan, which it could not be, as it lacks the essence of that measure, a provision for flexibility. Of the land issue bills, that of Mr. Featherston, of Arkansas, a member of the order, is the most feasible and best calculated to give relief, as it recognizes the homestead and makes it the basis of issue, coming to the aid of the poor farmer rather than the large land owner.

A correspondent writes that Centre Alliance, of Kingman county, Kansas, after a general discussion with a full house, decided unanimously to put a full (people's) ticket in the field this fall. He adds: "Hard times, cheap productions, dear necessities, and money so scarce and dear that only bankers and a few one hundred per cent annexes, ever get to see it without certain ruin, though severe as an old fashioned schoolmaster are about as effectual. In looking over Bradstreet's interviews with leading New York bankers, I see the general tenor is that they think 'something is likely to be done with silver by the present Congress.' They seem, however, to be consoled by the thought that national bank currency is being contracted, and have sufficient cinch on the all powerful fat recipients, that for every dollar of silver put into circulation about two of paper money will be retired. This is the plain inference. One says this would enable them 'to do business comfortably.' Another coolly says that 'free coinage of silver would be a species of legislation on a par with the repudiation laws of Mississippi a few years ago.' Another frets that 'gold' 'than whom none higher sits in Wall street, is likely to be contaminated by the poor, lowly plebeian, poor man's dollar, silver (what a pity.) But all seem to be cheerful in the belief that the present Congress will not go back on the rich kettles of fat, that helped so many of its members to their seats."

Riley County, Kansas, Alliance, has adopted "the Alliance system of nomination and election," which is worthy of study:

That the sub-alliances of each township choose one of their members who would make an available candidate for an office, at least one week before the regular county alliance which meets in July. At the regular meeting in July of the county alliance, the delegates shall from the names sent in from the sub-alliances, select the one best suited for different county offices to be filled, and they shall be the ones to be voted for at the election in November, without expense to the candidates and no electioneering, and the county alliance furnish the tickets. That we sever our relations with all political parties and that we will not recognize any man placed in nomination by any political party, although they are identified with the Union.

Official Organ of the National Farmers Alliance and Industrial Union.

THE NATIONAL ECONOMIST

Volume 3.

SATURDAY, JUNE 21, 1890,

Number 14.

TABLE OF CONTENTS.

ORIGINAL PACKAGES VS. SILVER AS A COMMODITY	209
A TALE OF SORROW	By Harry Hinton 213
IS IT VANITY OR IGNORANCE	By J. H. Hand 215
PROSPERITY AND THE TARIFF	210
THE LEGAL TENDER FUNCTION	210
THE SILVER BILL	211
A FINANCIAL HISTORY (No. 17)	By N. A. Dunning 212
RAILWAYS, THEIR USES AND ABUSES (No. 57)	By James F. Hudson 217
APPLIED SCIENCE	By Dr. M. G. Elzey 220
A PLAIN SPOKEN SENATOR	216
HOW LEGISLATION CAN BE SECURED	By Benj. De LaMater 218
THE WISCONSIN ALLIANCE	219
AN INTELLIGENT STATEMENT	222
THE REFORM PRESS	223
FROM CORRESPONDENTS EVERYWHERE	223
REPORT OF THE SECRETARY OF AGRICULTURE	224

The President, Secretary, and Chairman of Executive Board are located at 511 Ninth street northwest, Washington, D. C.

ALABAMA.

President—S. M. Adams, Randolph.
Secretary—J. P. Oliver, Dadeville.

ARKANSAS STATE UNION.

President—John P. Russ, El Paso.
Secretary—R. H. Moreland, Hazen.

ARKANSAS STATE ALLIANCE.

President—Paul T. Davidson, Holly.
Secretary—W. B. W. Heartsill, Greenwood.

COLORADO.

President—J. H. Branimier, Burlington.
Secretary—W. S. Start, Hoehne.

NORTH DAKOTA.

President—Walter Muir, Hunter.
Secretary—M. D. Williams, Jamestown.

SOUTH DAKOTA.

President—H. L. Loucks, Clear Lake.
Secretary—Mrs. Sophia M. Harden, Woonsocket.

FLORIDA.

President—R. F. Rogers, Little River.
Secretary—A. B. Raskin, Anthony.

GEORGIA.

President—I. P. Livingston, Cora.
Secretary—R. L. Burks, Atlanta.

INDIANA.

President—Thomas W. Force.
Secretary—W. W. Prigg, Middletown.

INDIAN TERRITORY.

President—H. C. Randolph.
Secretary—Lyman Friend, Purcell.

KANSAS.

President—C. W. Macune and A. Wardall.
Legislative Committee—C. W. Macune and A. Wardall.

WISCONSIN.

President—Col. C. M. Butt, Viroqua.
Secretary—N. C. Moody, Viroqua.

NEW MEXICO.

President—J. N. Coe, Lincoln.
Secretary—W. L. Breeze, Nogal.

KENTUCKY.

President—S. B. Erwin, Bowling Green.
Secretary—B. F. Davis, Ezel.

LOUISIANA.

President—T. S. Adams, Clinton.
Secretary—J. W. McFarland, Homer.

MISSOURI.

President—H. W. Hickman, Puxico.
Secretary—J. W. Rogers, Puxico.

MARYLAND.

President—Hugh Mitchell, Port Tobacco.
Secretary—T. Canfield Jenkins, Pomonkey.

MISSISSIPPI.

President—R. C. Patty, Macon.
Secretary—C. T. Smithson, Newport.

NORTH CAROLINA.

President—Elias Carr, Old Sparta.
Secretary—E. C. Beddingfield, Raleigh.

SOUTH CAROLINA.

President—E. T. Stackhouse, Little Rock.
Secretary—J. W. Reid, Reidville.

TENNESSEE.

President—J. P. Buchanan, Murfreesboro.
Secretary—E. B. Wade, Murfreesboro.

TEXAS.

President—J. D. Fields, Manor.
Secretary—S. O. Daws, Springtown.

VIRGINIA.

President—G. T. Barbee, Bridgewater.
Secretary—J. Silvey, Amisville.

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.



OFFICIAL DIRECTORY OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

THE NATIONAL ECONOMIST.

President Polk's Appointments.
Kentucky, Henderson, Thursday, June 26.
Indiana, Shoals, Friday, June 27.
Illinois, Mount Vernon, Saturday, June 28.
Missouri, Jefferson City, Monday, June 30.
Missouri, Marshall, Tuesday, July 1.
Kansas, Columbus, Thursday, July 3.
Kansas, Winfield, Friday, July 4.
Illinois, Morrison, Tuesday, July 15.
Michigan, Cold Water, Thursday, July 17.
Indiana, Anderson, Friday, July 18.
Tennessee, Knoxville, Monday, July 21.
South Carolina, Greenville, Wednesday, July 23.
North Carolina, Greensboro, Thursday, July 24.

He expects to be in Nebraska July 7, in South Dakota July 9, in North Dakota July 10, in Minnesota July 12, in Wisconsin July 14. The points at which he will speak in these States will be determined and published. He is anxious to meet as many officers and brethren in these States as possible.

All papers in these States friendly to our cause will please publish the above.

Lecturer Ben Terrell's Appointments.
Missouri, June 19th to July 10th.

Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

MISSOURI.

Montgomery City, Monday, June 23.
DeSoto, Wednesday, June 25.
Fredericktown, Friday, June 27.
Jefferson City, Monday, June 30.
Marshall, Tuesday, July 1.
Lexington, Thursday, July 3.
Sedalia, Saturday, July 5.
Clinton, Monday, July 7.
Nevada, Wednesday, July 9.

KANSAS.

Larned, Saturday, July 12.
Anthony, Monday, July 14.
Marion, Tuesday, July 15.
Ottawa, Wednesday, July 16.
La Cygne, Thursday, July 17.
Girard, Saturday, July 19.

INDIAN TERRITORY.

Pauls Valley, July 22.
Dougherty, July 24.
Colbert, July 26.
Caddo, July 28.
Eufala, 2 p.m., July 30.

WANTED.

A good, live, Alliance man in each county to act as Agent for The National Economist Almanac, to push its sale. A good commission will be allowed.
Address

THE NATIONAL ECONOMIST,
Washington, D. C.

NORRIS'S
PATENT OFFICES.



THE MORRISTOWN LAND AGENCY,

P. O. BOX 35, MORRISTOWN, TENN.,
Has the largest lot of COAL, TIMBER, MINERAL and FARMING LANDS FOR SALE in the State. Correspondence solicited.

IT STANDS AT THE HEAD! THE PHILOSOPHY OF PRICE AND ITS RELATION TO DOMESTIC CURRENCY.

BY N. A. DUNNING.

Every member of the Alliance should have a copy to learn the cause and remedy for these hard times. Every Editor, Writer, Speaker, or Lecturer should have copy for reference. It is plain, explicit, condensed and complete. It deals in facts and figures, printed in good sized type, and is just the book for the times. It is indorsed by President L. L. Polk, C. W. McCune, A. Burrows, A. J. Streeter, J. B. Weaver, B. H. Clover, Col. R. J. Sledge, and hundreds of other Labor Reformers.

Price, postpaid: Cloth, \$1; Paper, 50cts.

FOR SALE AT THE OFFICE OF
The National Economist,
511 Ninth st. n.w., Washington, D.C.

THE TRUE COMMONWEALTH

Demand the nationalization of railroads, telegraphs, and all other great natural monopolies, and ownership by cities of gas works, street railways, etc., etc. A superb royal quarto monthly, \$1 a year. On trial three months for 15 cents, or eight months, May to January, for 50 cents. Address

The True Commonwealth,
WASHINGTON, D. C.

PREMIUMS FOR CLUBS.

THE NATIONAL ECONOMIST is now prepared to offer any one of the following articles as premiums, to be sent postage paid from this office, for clubs of subscribers at one dollar per annum:

CLUBS OF TWO.

THE NATIONAL ECONOMIST ALMANAC for 1890, to be mailed after December 15. A hand book of facts valuable for farmers and laborers.

CLUBS OF FIVE.

One copy of "Plutocracy; or, American White Slavery," by Hon. Thomas M. Norwood, of Georgia, bound in paper.

One copy of "Philosophy of Price," by N. A. Dunning, bound in paper.

CLUBS OF SIX.

A copy of Volume I of THE NATIONAL ECONOMIST, neatly bound in strong paper.

CLUBS OF TEN.

One copy of Dunning's "Philosophy of Price," in cloth.

One year's subscription to THE NATIONAL ECONOMIST.

CLUBS OF FIFTEEN.

One copy of "History of the Wheel and the Alliance, and The Impending Revolution," by W. S. Morgan.

To secure either of these club premiums it is not necessary to send all of the names at once, but notice of intention to claim the premium should accompany the first order.

ONE of the best, most concise, and easily understood manuals of parliamentary usage may be found in The National Economist Almanac, which only costs fifteen cents, and contains much other valuable information.

FARMERS Saw & Grist Mill
4 HORSE POWER
and Larger. CATALOGUE FREE. Address
DE LOACH MILL CO., ATLANTA, GA.

PITTSBURGH SCALE CO., Ltd.

75 Third Avenue, PITTSBURGH, PA.

Will sell you 1-5 ton Standard Wagon Scale, 8x15 foot platform, Double Brass Beam, Iron Levers, Steel Bearings, for \$60, Freight Paid. Write for circulars of information.

Washington Seminary,

ATLANTA, GEORGIA.

BOARDING AND DAY SCHOOL FOR GIRLS.

THE MUSIC SCHOOL

Is under the direction of ALFREDO BARILL.

MRS. BAYLOR STEWART, Principal.

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., JUNE 21, 1890.

No. 14.

"ORIGINAL PACKAGES" VS. SILVER AS A COMMODITY.

The two most prominent topics of discussion recently, the "original package" decision of the Supreme Court and the Windom silver bill as passed by the House of Representatives, are a good illustration of inconsistency, coming as they do from the same Government. The fact is, this experiment in a confederated form of republican government in which the power is lodged in three branches, the legislative, the executive, and the judicial, is being sorely tried by the complications that arise in the modern highly complex system of commercial legislation. The genius of this Government is such that it is intended to occupy a wise midway position between anarchy and socialism; that is, the liberties of the individual were to be curtailed only so much as found necessary to guarantee to each protection to life and property and the peaceful enjoyment of the pursuit of happiness, while the Government would enact and enforce as few laws and use as little machinery as possible to carry this out. One law more than is necessary for these primitive and fundamental principles is a step toward socialism, and one law less is a step toward anarchy. The middle ground between the two is not broad; in fact it may be traced to a mere line, and the genius of this Government is such that to be free from the charge of anarchy or socialism the great superstructure must be kept accurately poised on this knife edge, as it were. With one head this might be possible, but with three it is not strange that there are inconsistencies, and that one branch of the government may tend toward anarchy, while another branch tends towards socialism. A striking example of this inco-ordination is seen in the two measures above cited. The Supreme Court in a case appealed from the State of Iowa decides that, in spite of the laws of that State to the contrary, a person not a resident of that State has the right to import liquors in the original packages into the State. The liberty of the individual is sustained over the expressed wish of a majority of the citizens of a whole State. This is a long step in the direction of anarchy. It is an extreme of "strict construction." It recognizes the rights of the minority at the expense of the majority, which is one of the surest marks of anarchy. At the same time

the legislative branch of the government demonetizes silver, "the people's money," thereby making it a mere commodity, and provides for its storage in a government warehouse (the Treasury), and the government lends money against it without interest. This is a compound measure. It is a step toward socialism by demonetizing the people's money against their wishes, and one that must generally be recognized as an unjustifiable interference with the private business affairs of the citizen that the government is under obligations to protect. It is a crime against the great mass of the people, and is committed solely in the interest of a few capitalists, but the warehousing feature of the commodity is so in harmony with the functions and exact duty of the government, and promises to be fraught with so much good to the people, that it is admirably calculated to cover up the objectionable features of the measure and induce the people to accept it. The fact is that people are too apt to accept or condemn a measure on account of a name some interested person may give it. Paternalism, centralization, personal liberty, socialism and anarchy are all used to arouse prejudice. Do not oppose a measure because some one calls it socialism or anarchy; nearly every wise law of this government partakes more or less of one or the other. Examine it on its merits and let the conclusion be based on wisdom and judgment. A strict adherence to the democratic or anarchistic principles would prohibit any legislation to restrict or prevent trusts and combines, while a strict adherence to republicanism or socialism on the other hand would deprive the people of the right to strike or resist the encroachments of monopoly. One would make tramps by no law, and the other would train them by law. The happy medium is governed by reason and equity, and seeks the greatest good to the masses. The correct way of arriving at a true and just decision as to whether any given course is a function of government or not is to test it by the definitions of a monopoly. If it be a monopoly it is a function of government, because to allow individual control and operation of a monopoly is to grant such individual a special privilege to levy tribute. If a monopoly it should be operated by the government for the benefit of the whole people. This simple test will save confusion and often enable one to strike the proper key to refute a declaration that a certain measure is paternalism or anarchy.

PROSPERITY AND THE TARIFF.

As usual, the interests of the farmer are to be again ground to fine powder between the upper and nether millstones of protection and free trade. The Republican party will pass a tariff bill and go before the country on what they have done through this measure for the people. The Democrats will vote against the bill and go home and tell what they did not do. One party will claim if they are sent back for another term they will bring the tariff to a more perfect condition and the country will at once begin to prosper, while the other party will say, if we can only have one more chance we will reduce the burden of tariff taxation and good times will surely follow. This has been the situation politically for nearly a century, and yet the people are willing to be periodically deceived even at this late date. The promise of relief comes from both parties and is based upon directly opposing conditions. A large proportion of those who hold to these views are good citizens and should be credited with honest intentions. It therefore becomes a matter of careful investigation to determine as to the reason for such radical differences. Without attempting to discuss the merits or demerits of free trade or protection, a final decision upon which has never been reached, it is perfectly safe and susceptible of proof to state that good times as well as bad times have come to the people under both systems. Such being the case, it must be admitted that some other facts aside from the tariff enter into the economic questions of government and bring prosperity or adversity to the people. What is known as the compromise tariff of 1833 provided:

That, on the 31st of December, 1833, all ad valorem duties of more than 20 per cent, shall be reduced *one-tenth*; on the 31st of December, 1835, there shall be another reduction of *one-tenth* on duties of the same class; another equal reduction, on the same class and the same principle, the 31st of December, 1837; another do., do., December 31, 1839, on the 31st of December, 1841, one-half of the residue of such excess, to be taken off; and from and after the 31st of June, 1842, the remaining half of such excess to be taken off, leaving a maximum of 20 per cent.

From this time until 1837 the country prospered. The Government was not only out of debt, but actually distributed \$28,101,646.01 among the different States. The currency had increased from \$61,000,000 in 1830 to \$149,000,000 in 1837. Then came the demand for coin from England, together with the specie circular from President Van Buren, which made all payments for land to be in specie. As a result the banks failed, the money fled, and the people suffered.

Again, 1846, what is known as the Walker tariff was passed, which remained substantially unchanged until 1857, when it was reduced to an average of 20 per cent on dutiable imports. The circulation at the close of the panic in 1843 is given at about \$60,000,000, in 1847 at \$105,000,000, and in 1857 at \$215,000,-

000. Beginning with 1850, a steady export of gold had taken place. Congress demonetized all foreign coin February 21, 1857, and drove it from the country. A run was soon after made upon a few banks, which disclosed the fact that a specie basis was a fraud, and a general panic ensued. Contraction of the currency at once began, so that by 1858 only about \$140,000,000 was estimated as in circulation.

The above is a record of two serious panics, during which property values were almost eliminated, and this, too, under the operation of the lowest tariff of recent years.

The Morrill tariff was passed in 1861, and has continued in force, with a few modifications, until the present time. In 1873, under the influence of a high protective tariff, came the most destructive panic of the century. Here, again is found the universal cause for such conditions. Greenbacks had been called in and destroyed, and the aggregate volume of currency had been reduced from \$1,863,409,217 in 1866 to \$652,896,762 in 1873. Silver was demonetized practically that year, and general financial destitution prevailed. Since that time the currency has been steadily contracted, and the panic has been continued. The lesson to be drawn from these statements of fact are that in spite of the benefits which may result from either free trade or protection, hard times and distress will follow when the volume of currency is reduced below the wants of business. The financial condition of the country at the periods above referred to is positive proof that all this tariff tinkering and tariff talk is entirely useless, and can do the people no good so long as the currency of the country is insufficient.

THE LEGAL TENDER FUNCTION.

Quite a number of inquiries are being made in regard to the legal tender functions of the national bank notes. It is perfectly natural that such questions shall be asked, as this species of currency occupies a position heretofore unknown to the history of finance. It has been so artfully interwoven with the affairs of government, so carefully manipulated among real national issues of currency, that its proper status is somewhat difficult to determine. National bank notes, however, are not a legal tender—they are not lawful money as between individuals or for the usual transactions of business. The law makes them receivable for certain specific payments. The revised statutes, section 5182, provides:

And the same shall be received at par in all parts of the United States in payment of taxes, excises, public lands, and all other dues to the United States, except duties on exports; and also for all salaries and other debts and demands owing by the United States to individuals, corporations, and associations within the United States, except interest on the public debt, and in redemption of the national currency.

Section 5196 provides also:

Every national banking association formed or existing under this title, shall take and receive at par, for any debt

or liability to it, any and all notes or bills issued by any lawfully organized national banking association. But this provision shall not apply to any association organized for the purpose of issuing notes payable in gold.

It will be observed at once that these notes are money as between national banks and to the government, but to the people it is simple currency. These notes cannot legally pay any form of indebtedness except such as are given above; they can only by consent pay the mortgage or the grocer's bill, but are good among those who are least entitled to this discrimination.

THE SILVER BILL.

An act directing the purchase of silver bullion and the issue of Treasury notes thereon, and for other purposes.

SEC. 1. That the Secretary of the Treasury is hereby directed to purchase from time to time silver bullion to the aggregate amount of four million five hundred thousand dollars worth in each month, *at the market price thereof*, not exceeding one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver, and to issue in payment for such purchases of silver bullion Treasury notes of the United States to be prepared by the Secretary of the Treasury, in such form and of such denominations, not less than one dollar nor more than one thousand dollars, as he may prescribe, and a sum sufficient to carry into effect the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated.

SEC. 2. That the Treasury notes issued in accordance with the provisions of this act shall be redeemable on demand, in coin, at the Treasury of the United States, or at the office of any assistant treasurer of the United States, and when so redeemed *may* be re-issued; but no greater or less amount of such notes shall be outstanding at any time than the cost of the silver bullion then held in the Treasury purchased by such notes; and such Treasury notes shall be a legal tender in payment of all debts, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received *may* be re-issued; and such notes when held by any national banking association may be counted as a part of its lawful reserve: *Provided*, That upon the demand of the holder of any of the Treasury notes herein provided for the Secretary of the Treasury *nay, at his discretion* and under such regulations as he shall prescribe, exchange for such notes an amount of silver bullion which shall equal in value at the market price thereof on the day of exchange to the amount of such notes presented.

SEC. 3. That the Secretary of the Treasury shall coin such portion of the silver bullion purchased under the provisions of this act as *may be necessary* to provide for the redemption of the Treasury notes herein provided for, and any gain or seigniorage arising from such coinage shall be accounted for and paid into the Treasury.

SEC. 4. That the silver bullion purchased under the provisions of this act shall be subject to the requirements of existing law and the regulations of the mint service governing the methods of determining the amount of pure silver contained, and the amount of charges or deductions, if any, to be made.

SEC. 5. That so much of the act of February twenty-eighth, eighteen hundred and seventy-nine, entitled "An act to authorize the coinage of the standard silver dollars and to restore its legal tender character," as requires the monthly purchase and coinage of the same into silver dollars of not less than two million dollars nor more than four million dollars worth of silver bullion, is hereby repealed.

SEC. 6. That whenever the market price of silver, as determined in pursuance of section one of this act, is one dollar for three hundred and seventy-one and twenty-five hundredths grains of pure silver, it shall be lawful for the owner of any silver bullion to deposit the same in any coinage mint of the United States, to be formed into standard silver dollars for his benefit, as provided in the act of January eighteenth, eighteen hundred and thirty-seven. And purchases of silver bullion shall be suspended while it is being so deposited for coinage.

SEC. 7. That upon the passage of this act the balances standing with the Treasurer of the United States to the re-

spective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulating notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes have been received by him and that they have been destroyed, and that no new notes will be issued in their place, re-imbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as "National bank notes: Redemption account," but the provisions of this act shall not apply to the deposits received under section three of the act of June twentieth, eighteen hundred and seventy-four, requiring every National bank to keep in lawful money with the Treasurer of the United States a sum equal to five per centum of its circulation, to be held and used for the redemption of its circulating notes; and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt statement as debt of the United States bearing no interest.

SEC. 8. That this act shall take effect thirty days from and after its passage.

The above is a copy of the silver bill as it passed the House of Representatives. The more carefully it is read the more clearly its true intent will be seen. This bill demonetizes silver and makes the national debt payable, interest and principal, in gold, and opens the way for the national banks to obtain the profits which should accrue to the government through lost or destroyed currency. These are the true objects of this bill, as will be discovered by an examination. It is in reality the sub-treasury plan with all its good features perverted. Stripped of its provisos, deceptions and misleading phrases, it means that the owners of silver bullion, which this bill makes a commodity like pork, wheat or cotton, can deposit it in a government treasury, and the depositor receive a certain amount of legal tender treasury notes on such deposit which he can use for any length of time and then return the notes and receive back his bullion, or in lieu of that sell it to the government for so much silver coin. In this is found the main features of the sub-treasury plan. It is difficult to understand how an intelligent body of men can vote for these principles when clothed in the garb of deception and fraud and ignore the same principles when printed in plain terms for a beneficial object. All must admit the complete analogy between the sub-treasury plan and this silver bill, and yet those who voted for the passage of the silver bill, which tends wholly to benefit the silver corporations and the bond owners, would vote solidly against the sub-treasury bill, which aims to benefit the whole people.

APPLICATION has been received at the office of the national secretary for a charter for North Dakota State Alliance, the meeting of that body having adopted the secret work unanimously.

PRESIDENT R. F. Rogers, of Florida, dropped in on the ECONOMIST June 13, having been called to Washington on business.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 17.

In commenting upon the public strengthening act a recent writer said:

If this language means anything, it means that Congress then recognized the fact which no one will seriously dispute, that the Government had the undoubted right to pay its bonded indebtedness at any time. But, owing to the peculiar condition of the currency at that time, Congress provided by a solemn pledge that it would not exercise this right until the conditions named existed. Both conditions now exist. United States notes are exchangeable for coin at par, and bonds bearing a lower rate of interest than the bonds to be redeemed can be sold at par in coin. It follows that a strict construction of the law under which these bonds were issued fully warrants their payment at any time. If it is urged that it would cause loss to the holders of the bonds, the answer is that such holders had full knowledge of the law, and also that the Government owes to the debtor class, and to the people generally, just as much care and fidelity as it owes to the bondholders.

When this act became a law the bond-owners had scored a great victory, and as a consequence reaped a rich harvest of spoils.

From 1863 to 1867 there had been bonds sold amounting to \$1,429,392,400. These were all paid for in greenbacks at par. Reckoning the discount between greenbacks and gold, we find that the price paid in gold value was only \$945,251,220, leaving a difference of \$484,141,180. It requires no great thought to understand that when these bonds were declared payable in coin their value was increased by this difference.

The object of the framers of the law could not have been to strengthen the public credit. The amount of credit which either a nation or an individual can possess depends upon the strength and extent of the belief among lenders and capitalists that the borrower is both able and willing to meet the exact terms of his obligations. An offer to do more would subject the debtor to well-merited suspicion and distrust.

He can not improve his credit by promising to pay a larger amount of money, or money of greater value, than the terms of the obligations held against him require. The sufficient, best, and only means of improving credit, public or private, is exact performance of contracts. The debtor that insists upon all his rights and at the same time performs all his duties, is the one most confided in. Credit can be strengthened by fulfilling contracts, but not by changing them; by performing all promises and not by making new ones. Nor could the honest object of the framers of the law have been to advance the value of bonds already sold and in the hands of purchasers. It would be of great public importance to enhance the value of bonds which the Government was proposing to sell, but to overload the country with additional burdens for the purpose of enhancing the value of outstanding bonds, would be to subserve gratuitously

and unjustly private interest at public expense. It would be very gratifying to national pride to have the bonds of the United States, now in private hands, command the highest prices in the markets of the world, but it could scarcely be deemed a wise financial policy in the present condition of the country to obtain that gratification by paying a premium for it. If, however, it were deemed advisable to enhance the value of bonds already sold, it should have been done by some plain and direct method, and in such a way that the country might know exactly what it was going to cost—as for instance, by increasing the principal or rate of interest of outstanding bonds. It should not have been done by the indirect method of changing the medium of payment from gold or silver, at the option of the Government, to gold alone. The additional burden which that might impose, from a rise in the value of gold, is incalculable. The passage of this act, while it declared the bonds payable in coin, was done when coin was at a premium of nearly 25 per cent, which, of course, added at once 25 per cent of value to the bonds, and at the same time lessened the means of payment to the same extent by its effects in producing a general decline of prices. Why it was necessary at that time to strengthen the public credit, and why it was an act of justice (?) to the people of the United States to have the whole basis of their indebtedness changed and increased to fully one-fourth its amount, will always remain a mystery to every student of political economy. This was the first time the contract between the people and the bondholder had been changed. I quote from an eminent English author on this point, Professor McCulloch. He says:

To make any direct change in the terms of the contract entered into between individual would be too barefaced and tyrannical an interference with the rights of property to be tolerated. Those, therefore, who endeavor to enrich one part of society at the expense of another, find it necessary to act with great caution and reserve, and to substitute artifice for open and avowed injustice. Instead of directly altering the stipulations in the contract, they ingenuously befoothed themselves of altering the standard by which the stipulations were to be adjusted. They have not said, in so many words, that 10 or 20 per cent should be added or deducted from the mutual debts of society, but they have, nevertheless, effected this by making a difference in the value of the currency. (Increased or diminished its quantity.)

Extracts from a limited number of speeches given below will disclose the sentiments held by some of the law makers at that time.

Senator Sprague said:

Mr. President, I desire, in one word, in behalf of the industries, so far as I know them of this country, to enter my solemn protest against the passage of this act, a measure calculated, in my judgment, more to repudiate the national debt than any measure that has yet been enacted, and as certain to result in that direction if the people are true to themselves. It seems, sir, that the industries of this country, crushed to the very earth in the past three years, are not crushed sufficiently, but they must have this staggering, this most outrageous blow dealt upon them. If there is any measure calculated to prostrate whatever there is in the present profitable occupation of this country, this is it. I

affirm to this Senate and to this country, and I shall be borne out in it, that there is no industry commencing three years ago, that is at all in a profitable condition, except that which is receiving to-day the pax of Government appropriations. Why tamper with this most sacred and most delicate instrument? Sir, I have not words to express the feeling of outrage that is in me at this constant manipulation of the finances, first of the Government and then of the people, for what purpose? You have contracted your currency nearly \$400,000,000 in three years for the purpose of enhancing its value. What has been the result of it? Have you enhanced the value of the nation's credit? Not one cent. You have prostrated every interest and every industry in consequence of that most suicidal and most damnable policy. I protest, therefore, in the name of the industries of this country and in their behalf, representing them as I do, and as I know they at present exist, against the additional load that will be put on them by this most unholy and most inconsiderate legislation.

Mr. Hendricks, in the course of his speech, said:

After the contract has been made by the law and by the language of the bonds, and before the maturity of the bonds, why shall we undertake to change the nature and extent of that contract? Why not leave it as it stood at the time the Government made the contract? * * * *

The present proposed policy is in strange contrast with the policy that was adopted at the time this debt was contracted. *

The depreciated currency was the consideration the Government received for their bonds, and that depreciation was brought about upon a purpose and a policy. To secure a sale of bonds then, the currency was purposely depreciated; but when the Government comes to assume and to provide for its payment, then the opposite policy is to be adopted, and the currency is to be, by special legislation, appreciated, or, if it can not be appreciated, then that the bonds shall not be paid until the Government can pay in gold. Why this reversal of policy? If it was right that the Government should be paid for these bonds in a currency purposely depreciated, why is there an obligation that we shall provide for an appreciation of the currency when the Government comes to redeem the bonds? I desire that there shall be an appreciation of the currency, but, as I said the other evening, I look to that only through a restored prosperity in the business of the country.

Mr. Morton, of Indiana, said:

Mr. President, I was a member of the committee of conference, but I could not sign this report for the reason that it would commit me to a construction of the law and the contract in regard to the 5-20 bonds from which I have always dissented. I believe that under the law the Government had as much right to pay those bonds in legal-tender notes as it has to pay any other debt, and that this declaration is substantially a change of the contract, and it is committing the Government to a payment in coin which is not required by the original contract. Therefore, I can not and will not vote for it.

Mr. Norton, of Minnesota, said:

My objection to this proposition is, that it looks to and inevitably brings about a permanency of the public debt. What is the interest of the Government in regard to the public debt? It is that it should be in the control of the Government. The Government acting for and representing the people, should have the debt in their control, and when they were able to pay it they should be permitted to do it. The interest of the bondholders is, that it should be in their control, and the Government should not pay any of it until they are willing to receive it, and in the meantime the people bear the burdens in the shape of taxation.

Sir, when this Congress pledges the faith of the nation to pay the 5-20s in coin, they repudiate the interests of the people, and impose upon them burdens that they ought not to be required to bear.

The Industrial Age (Duluth, Minn.) bristles with good points, of which this is a sample:

Our financial legislation for the last quarter of a century has been designed to give to money monopolists the power to fix the cost of living for the producers as well as the compensation for their labor. The entire system is an organized and legalized discrimination against productive labor and in favor of non-productive capital.

A Tale of Sorrow.
BY HARRY HINTON.

Early in the late war William Brown enlisted in the army and went through all that struggle that tried men's souls for the sake of the Union. William Brown loved the Union. It was dear to his heart. He had imbibed from his earliest infancy, in accordance with the ringing words of Washington and Webster, that the maintenance of the Union was the first duty of every American. He left a young wife at home and two blooming boys. William fought all through the war and finally came home at the close without a scratch. Still more fortunate than this, he had managed to lay up about a thousand dollars clean and clear of his wages. It was interest bearing coupon notes bearing six per cent. This made sixty dollars interest every year, and with his little farm and his two boys, now having grown large enough to help a little, he was in good attitude to enjoy the blessings of peace and liberty which he had fought so bravely to maintain.

Misfortunes and troubles come to the best of us; but how sharper than the sting of a serpent's tooth they are when they come through the hands of trusted friends. William and his little family were living in ease and prosperity. The little cottage home and the neatly kept farm were now doubly dear to him since his long absence in the midst of many privations and dangers. He had a thousand dollars in cash, the price of sweat and blood; but they told him it would be no good. The government had ordered in all of its circulating interest bearing notes, and such as was not in at a certain time would be discounted. William sells his note for \$300. This cut his heart and hopes some little, but he did not know all the secret workings of the financial problem. He verily thought the good government was doing the best it could under the circumstances. He did not know that his government had formed a conspiracy with a certain class of men by which all the circulating bonds should be drawn from the hands of the people and placed in their possession. He did not know that the nation for whom he had so bravely fought had agreed with a certain class that if it would buy up this paper it would pay it 90 per cent of the money back in a new issue and the interest one year in advance in gold. Thus enabling it with the 90 per cent and the interest paid in advance to buy another bond of the same amount and so on continually till they had taken up all these floating notes. All that was necessary for this class to have was a little specie to start the purchasing and it would be continued by the terms of the contract.

The banks had kept from circulation during the war \$65,000,000 in specie. With this they could have bought up all the paper under like terms had it been a hundred times larger than it was. William's \$1,000 sold for \$300 to the government's pet. The government pays its pet \$600 in a new issue on the same security as the old and over and above \$60 in gold. The government pet takes the \$600 and the \$60 in gold and buys another \$1,000 bond, for which the government in like manner returns him \$600 and \$60 in gold, and so on.

In a very short time billions of money floating among the people was transferred to the privileged few, and after once in their possession it could not any

more circulate among the people without high usury. Every one of these paper notes thus transferred represented the pure blood of a patriot or his home comforts sacrificed on his country's altar. Shylock who purchased William's bond by trading and trafficking in paper was enabled to make ten more bonds of the same size out of it. This paid him \$600 in clean gold as interest every year. The good government thereafter transferring all the paper from the hands of the people outlawed silver money. This with the contraction of the paper threw Shylock's bond up to be worth \$1,280 in gold for which he had only paid \$300. His ten bonds which he was enabled to procure by the purchase of the first was worth \$12,800 in gold. Mammon and Shylock then joined in a partnership by which they were enabled to subvert the laws of free competition and lay under tribute all who bought their wares, and even William Brown himself. They are now worth millions. Let us now see how it is with William Brown and family.

William had promised Mary if she would be good and industrious and keep things up during his stay in the army he would buy, if he lived, a buggy and they would go to preaching on Sunday like folks. His coupon notes no longer drawing interest, he now fulfilled his delayed promises. Some improvements on the farm and the purchase of some improved machinery consumed his \$300. Still he was doing well. By some hook or crook Shylock thought there was a flaw in the title by which William held possession of his farm, and he went to the man who he thought perhaps had the prior claim and pays him \$10 for all right he might have and had a deed to William's land made to himself. He thereupon employed a lawyer without further expense and promised to pay him half of the land if he should gain it for him. The suit continued from court to court and from year to year, notwithstanding William was ready every time to have it ended. The extravagant expense of this suit, with loss of time, sickness and many other minor troubles, involved him in debt. It does verily seem that when troubles do commence on a man they come not "as single spies, but in whole battalions." He, of course, gained the suit, but had to borrow a thousand dollars from Mammon and had to labor for a living and to pay the interest or lose their only stay of support. Products of the farm kept dropping down, down in value. The face of the bond remained the same. The hundred dollars had to come.

Before we relate the sorrowful events which now follow we will picture to ourselves the course things would probably have taken had the Government allowed its paper to have remained in the hands of the people till redeemed. Shylock would have never commenced a suit against William with a thousand dollars in his pocket. It was his strenuous condition which encouraged him. But to say that he knew that his partner, Mammon, would eventually gobble up the farm would be giving him credit for foresight which was not his. All the same, it worked out that way.

This little coterie of good people labored hard and lived hard, the father and boys out doors and Mary in the house. Finally, the end was near at hand when they must leave the old homestead, and become day laborers for their daily bread. The thought preyed upon the mother's spirit, with her health already worn out by hard drudgery and meager diet,

till she sickened and died. The father and the boys followed her remains to the country graveyard. She was buried. No marble marked the spot of her final resting place; an uncouth stone and nothing more.

William turned from the filled up grave with a look of blank despair too strong for tears, too terrible for hope. Ye who have pierced the cold steel of poverty through the patriot's heart may weep. It becomes you well. But he will weep no more.

William did not feel like going to work as a day laborer on his neighbor's farm; so he and his two boys strayed to places where they were not known. They worked here and there where they could get a job; and as they could not find employment always at the same place they were finally separated. The elder boy, when last heard from, had gone far West, and joined himself with a herdsman out there. The younger son, whose name was also William, had followed a party of pioneers into the Dakotas, and some surmise he perished in a snow storm.

The father now was left alone in this wide, wide world, and we may say without human feeling and without human sympathy. Aimlessly now he wanders from place to place. Sometimes he takes a hand and performs a job for a man who may wish it; but in the main he begs his bread from door to door. It is a relief to his mind to travel through unknown parts of the country. After years of vagabondism he takes a notion to visit the battlefields of the war. He goes to Manasses. He remembers all afresh the scenes of that fight. How his company was so terribly thinned and how his comrades fell on his right and left. He goes to Richmond, where McClellan made his brave but unfortunate stand. He needs must see Gettysburg. He stands again upon the hill where he once stood when the ground itself rocked beneath the roar of cannon. Silence held the place in its dead embrace. Yonder is where shot and shell plowed the ground and mowed the living ranks like wheat. He goes to Petersburg. He goes to Appomattox.

At last, tired of this, he wanders back toward the scenes of his childhood. He revisits the scenes of his early boyhood, but no one there knows William Brown. He lingers but a short time in this section, for it brings some feeling back to his heart, and that only makes him susceptible to pain. He bethinks himself in his aimless wanderings that he would go to the spot where his partner lies buried. He goes at once. The ploughshare of Mammon has upturned the simple stone which marked the head of the grave. If he could lay down there and breathe out his last breath it would be a consolation to be coveted by angels. Not many days thereafter a dead man was found. Who is it? No one knows and no one cares to know; for it is a worthless tramp. But Mary, among the angels, knows, and that is enough.

Thousands now are poverty-stricken and homeless through the machinations of the gold-worshippers and a treacherous Congress, and millions more bearing almost insupportable burdens are on the way. But if Congress did this direful deed through ignorance, we forgive them. But, if knowingly, and with premeditated forethought, we can never forgive. To have paved the way by which the hoarders of gold during the war could aggregate all the paper money to themselves and have it converted into large bonds was bad enough, indeed. To have made these bonds

payable in gold after they had left the hands of the common people was a crime still darker. But to cancel by law all silver money after this transfer had been completed, was too damnable for mention. Still, if they did it through ignorance we forgive them; but if not, not.

Let Congress and the nation's pets roll in luxury and flash in resplendent glamour before America's oppressed millions. Let them proclaim there is no sentiment in business, and still pour the chilly waters on warm hearts and fond hopes from the chalice of a nation's wrongdoing. Let them still think the common "herd" was created for their use and abuse, and that they are easily duped and preyed upon, and as it has always been so it will ever be. God, if man can not, will bring them or their progeny to a bitter reckoning. Truth is mighty and God is just.

Is it Vanity or Ignorance?

BY J. H. HAND, MILFORD, GA.

It is a matter of surprise as well as mortification that a very considerable part of the press, all of which claims to be devoted to the advancement of the interests of humanity, should make indecent haste to assail the first proposition originating among the people, asking to be placed by the Government on equal terms with other classes of citizens. Knowing that we bear more than our just proportion of the burdens of the Government, we had reason to expect that the press would be our ally and advocate; but instead, we find them arrayed against us. The bill now before Congress, H. R. 7162, in the Senate 2806, to establish a system of sub-treasuries and for other purposes, is a measure "of the people, by the people, and for the people," not solely in the interest of a class, but in the interest of all classes except the bankers. It is a reasonable presumption that the laboring classes have a better opportunity of knowing their situation and needs than other people can possibly have. Dire necessity has driven them to seek the causes that have conspired to reduce them from affluence to extreme poverty. Having ascertained the causes, they are as capable of suggesting appropriate and efficient means of relief as any one else. The bill to establish a system of sub-treasuries is the first and most important measure. It has been thoroughly considered in all of its details and practical operation. It does positive injury to no one; that it will restrain the usurer and the monopolist, and limit the operations of the speculator in money and the necessities of life, is not denied. While the press is largely dependent on its subscription list among the working classes for a living, it is a matter of surprise and regret to us, and may be to the editors before this matter ends. Have they investigated the principles of the bill, or have they tried to comprehend the practical operation of the measure from which we expect relief from our present financial distress? The first effect would be a difference in the price of money of about 14 per cent per annum. That portion of the currency issued through the national banks, comes to us heavily laden with taxation for the support of three or four non-productive classes, hence we have to part with one dollar and fifteen cents worth of produce for one dollar. The banks are charged 1 per cent per annum; the bankers supply agents at from 4 to 5; the agent speculates with it, and makes from 8 to 15; or it is loaned to manufacturers at 6 to 8 per cent; commission houses bor-

row paying a good per cent, and then loan to retail dealers at 6 to 10 per cent. The whole amount of taxation levied by the various operators through whose hands it has passed ranges from 15 to 30 per cent before our products are purchased. By this process our produce is reduced in values to the amount of 15 or 20 per cent. Under the sub treasury system the money used to purchase our products would come directly from the sub-treasury department free from the tariff levied by the intervening non-productive classes. Let us see how this would work out when applied to the purchase of the cotton crop. Place the cotton crop at 6,500,000 bales weighing each four hundred and fifty pounds, would be 2,925,000,000 pounds. We sell this cotton at an average price of nine cents per pound, for money that has been taxed fifteen per cent, furnished by the banks, aggregate value of the cotton crop in the bank currency is \$263,250,000. Fifteen per cent on this sum is \$37,487,500, a loss to cotton growers, due to the national banking system, or the loss would aggregate that sum, if the bankers had succeeded in withdrawing all the greenbacks and controlling all the national currency. Now if this should represent the loss of the cotton planters alone, what would the sum amount to when estimated upon all the products of the great industries of the country? It would not fall below \$200,000,000 annually. This sum does not go to the government, but falls into the coffers of the nonproducing speculating classes. If the system of sub-treasuries is adopted, it will furnish money free from burdensome taxation, not to the agriculturists alone, but to all classes of industrial pursuits. The banker and usurer would lose the "power of money to oppress." The financial legislation of the government has aided in making millionaires by the thousand and paupers by tens of thousands. Seeing these facts in the light of common sense we have been urged to ask, is it vanity or ignorance on the part of a portion of the press of the country that has led them to the ridiculous and shameless assaults, both as to the measure and the persons who favor it? The most charitable construction that is admissible in their case is that it is attributable to their ignorance. But the attempt on the part of some of the members of the press, to ridicule both the measure and its movers into disfavor, by resorting to low burlesque and biliousgate, suggests vanity rather than ignorance as the moving cause. It is a deep mortification to the intelligent yeomanry of the country to see levity manifested on the part of their senators and representatives, toward the measures of relief offered at the solicitation of men laboring under "burdens grievous to be borne." If they permit mercenary motives to control their actions they are not capable of making desirable representatives of our interests. They should not make sport of our misfortunes when their acts brought them upon us. "By their fruits ye shall know them." It is not surprising that bankers and their henchmen, whether they be in Congress or among the members of the press, should throw every obstacle that ingenuity can devise in the way of this measure of relief. But is mortifying to know that the statesmen and leaders of neither of the political parties of the country have the independence and manliness to champion the cause of the productive class who carry the burdens of government on their shoulders.

THE NATIONAL ECONOMIST.

OFFICIAL ORGAN OF THE

NATIONAL FARMERS' ALLIANCE AND INDUSTRIAL UNION.

PUBLISHED WEEKLY AT WASHINGTON, D. C.

BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are twenty-five cents per square line. Discounts for time and space furnished on application, stating character of advertisement required.

The publishers of this paper have given a bond in the sum of \$50,000 to the President of the Farmers and Laborers Union of America that they will faithfully carry out all subscriptions and other contracts.

The following is the resolution unanimously adopted at the national meeting in St. Louis:

Whereas THE NATIONAL ECONOMIST our adopted official national organ, has so boldly and fearlessly advocated our cause and defended our principles; therefore,

Be it resolved by this National body, That we heartily approve of the course it has pursued and recommend that every member of the order should subscribe and read the paper as one of the best means of education in the way of industrial freedom.

Address all remittances or communications to—

THE NATIONAL ECONOMIST,

WASHINGTON, D. C.

ENTERED AT THE POST-OFFICE AT WASHINGTON, D. C., AS SECOND-CLASS MAIL MATTER.

J. H. TURNER, Secretary, 511 Ninth street N. W., has made arrangements by which he can send Alliance seals, prepaid, to every address for \$2.25.

ATTENTION is called to the appointments of Lecturer Ben Terrell in Missouri next week; also to those of President Polk on his Western tour, to be found in the cover pages.

AMONG the arguments brought against the free coinage of silver was the fear that China, Japan, and other countries would melt down their silver and send it to this country. This argument was supplemented with the statement that under such conditions prices would advance and a general derangement of business methods would take place, and the United States would become the dumping ground for the silver of the world. If these predictions would only prove true, what a blessing it would be to labor in production. If higher prices will be the result, then let silver come. Let the nations of the whole earth come here and dump their white metal. Let them fill America with silver, the more the better; and the sooner it is done the quicker will the debt-ridden producer of this country find relief. The danger so much feared by the plutocratic gold-worshippers is precisely what the great mass of the people not only stand in need of, but in the near future must have or perish. Does the laboring man fear a surplus of silver? Does the mechanic or artisan dread an abundance of that kind of money? Does the mortgaged, harassed farmer see disaster in higher prices and an increase in the currency of the country? Do the business men of the country look with suspicion upon such a condition? No; there are but two classes who are afraid of its coming—those who live upon fixed incomes and those who live upon the tribute paid to usury. Must all other classes suffer that

they may thrive? If so, keep silver demonetized and all the avenues for an increase of currency closed. But if not, let the free coinage of silver be enacted into law, and all the increase of currency possible be obtained from that source. This is a contest not over the kind of currency, but the quantity, as it is the amount of money that gives it "the power to oppress."

THE Senate has been discussing for some time past Senator Plumb's bill regulating the amount of money to be held in the United States Treasury. As yet the means of getting it out of the Treasury among the people has not been considered. At present there are but three methods—by the purchase of bonds, payment on appropriations and interest, or depositing with national banks. It is claimed the appropriations and interest will not consume all the revenue, while to deposit with national banks is fast becoming unpopular. This leaves but one course, the purchase of bonds. When this bill is passed it is notice to the bondowners that the Secretary of the Treasury is not only willing, but compelled by this statute, to pay them any price for their bonds they may think proper to ask. The title of this bill should be amended to read: "A bill to advance the rates of premium on bonds of the United States."

CHEERING words of congratulation and encouragement are coming in from all quarters, and a general determination to continue the contest with increased earnestness is manifested all along the line. New Alliances are being formed and old ones revived in States where the opposition has been the most bitter. News is being received from the North and West which indicate a rapid growth of the Alliance in these sections. Taken as a whole, the assault that has recently been made on the Alliance, its members, and methods, has not only increased its zeal, but has brought about a genuine revival in its favor. Nothing seems to strengthen the order like persecution, or to enthuse the brethren to more determined efforts than an attempt to impugn its motives or abuse its members. Let the opposition do its very worst, the Alliance will thrive in the meantime, and march right along to victory. Opposition from politicians, demagogues, and subsidized followers must be expected, but the hour of final accounting is not far off.

A PLAIN SPOKEN SENATOR.

Mr. Plumb appears to be the only Senator who possesses sufficient courage to give publicity to his honest convictions. He has made a careful, intelligent investigation into the causes which have brought about the present financial depression, and has independence of character sufficient to declare his judgment, regardless of the opinions or preconceived ideas of others. By his plain, blunt way of stating the

truth he has caused more than one Senator to consider well his words, and convinced the people that the Senate contained at least one man who dared face plutocracy and denounce its methods. The following extract from a recent speech discloses a wide difference of opinion between Mr. Plumb and Secretary Windom in regard to the volume of currency among the people:

"There seemed to be a general concensus of opinion that the volume of the currency should be increased. How much of that was sincere he would have occasion to remark upon before he concluded. The Secretary of the Treasury had recommended a measure which, he said, was necessary, because the currency should be increased. He believed that it was the all but unanimous opinion of the people of the United States that a very considerable increase in the volume of the currency was necessary; and he was reinforced in that belief by the investigation which he had given to the subject. He declared that the circulation to-day was \$240,000,000 less than the framers of the financial legislation of 1875 anticipated, although the commercial business of the country had doubled within that time. There were varying estimates of the outstanding circulation; his own estimate placed it at fifteen hundred millions. That included gold coin, silver coin, greenbacks, and national bank notes, but did not include gold and silver certificates, as that would be counting the same money twice. On the theory that there was fifteen hundred millions of money actually provided for the circulation of the country there should be deducted from that sum an average of two hundred millions always kept on hand at the Treasury. That left a maximum sum of thirteen hundred millions that could, by any possibility, be reached for use. Taking from that the seven hundred millions required to be held in national banks, and that was kept for reserve purposes, the total amount of money which the people of the United States had got for the transaction of their daily business could not exceed six hundred millions. He believed that it was less than five hundred millions. And upon that narrow foundation had been built an enormous structure of credit—propped up, here and there, by devices of various kinds, and kept swelling and growing, while the base on which it rested did not grow in proportion to the structure."

* * * * *

"The Senator from Ohio (Mr. Sherman) had said, in a brief speech which he made some time ago on a minor clause of the silver bill, in a burst of candor which had not characterized his speech of yesterday, that gold and silver had been created by the Almighty as money, and that such they had been from the beginning of time. 'What God had joined together, let no man put asunder.' If gold was money, then silver was money. If one of the metals was money by the designation of the Almighty, both were money. According to the last data there was less than \$60,000,000 worth of silver mined every year in the United States. Of that some \$30,000,000 was coined, \$8,000,000 used in the arts and only \$17,000,000 could be used in free coinage. It was to be remembered that the national bank circulation was being very day retired, the amount to be retired this year being \$15,000,000."

RAILWAYS, THEIR USES AND ABUSES.

Their Effect Upon Republican Institutions and Productive Industries.

BY JAMES F. HUDSON,
Author of "The Railways and the Republic."

No. 57.

THE PURPOSE OF CUT-THROAT RIVALRY.

The foregoing articles have shown that it is not competition which oppresses the farmer and small producer, but combinations which appropriate for their privileged members a large share of the total production, which under competition would be awarded to the masses; that it is not competition which cuts down the wages of the laborer, but the interference with competition, by which the laborers, are compelled to compete with each other for wages, while the employers who hire them have no competition that compels them to offer greater inducements for the labor. In other words the oppressive and destructive force which is so often falsely called competition, is not free and equal competition at all. It is the interference with competition which gives the privileged classes the power of appropriating a share of the total production of communities or countries which they would not be awarded if the competition which distributes the proceeds of production among all classes were free and untrammeled.

This opens up the way to the final solution of the question asked in preceding articles, what the nature of that force is which the combinations offer as the plea for their existence, and which leads them to resort to the device of selling their products at a loss. As has been said heretofore, it is not competition, for the purpose of competition is profit, and this cut-throat rivalry belies the purpose of profit in its very character, and presents in its stead the purpose of inflicting as much loss as is practicable upon the whole interest in which it is practiced. The very nature of free and untrammeled competition in seeking to enhance profits by offering the greatest inducements to purchasers and consumers, necessitates that competitors shall withdraw from competition as soon as the price is reduced so low as to destroy profits. But the cut-throat rivalry, which is alleged to be akin to it, does not stop at that point. It is carried on to the point of inflicting as much loss as possible upon rivals, regardless of the loss that each man inflicts upon himself. What, then, is the purpose of that course of action, which, as is clearly shown by the foregoing considerations, is entirely foreign to the purposes of competition?

The object of railway wars and cut-throat rivalry is shown clearly by its nature, and by the attendant circumstances to be either driving competitors into a combination, or the maintenance of a combination already existing, and the punishment of those who break away from its supremacy. This great and pivotal fact with regard to the favorite method of supporting combinations against competition, is clear enough to the impartial student of trust organizations, but yet has been almost entirely ignored in the consideration of them by economists and statesmen.

Yet it is a conclusive point in judging the moral and public character of combinations that this ruinous rivalry, which is alleged by the combination advocates to be the justification of their system, is really not a cause at all, but is simply a method of enforcing the combination policy. It is one of the means resorted to to force all competitors to join in the conspiracies by which the prices of the great staples controlled by the combinations are artificially enhanced; by which production is arbitrarily limited; by which the masses are forced to pay a greater share of their labor for the necessities of life than they would be compelled to under competition, and by which laborers are forced to take whatever wages the policy of the combination may assign them. In short, the cause which is pleaded as showing the necessity of the combination, is really the method of the combinations themselves for usurping a large share of the proceeds of production, which really belongs to the masses under the operation of free competition.

That the railway wars, which form a prominent feature in the entire period in which pooling and other combinations have been resorted to by the great corporations, and the cut-throat rivalry by which trusts and industrial pools compel the adhesion of all competitors to their organization, are but a method of enforcing the illegitimate combination, appears from two distinct and significant facts in connection with the entire subject. The first is, that such ruinous rivalry, consisting of the voluntary and persistent reduction of prices to the point where the greatest loss is inflicted with each reduction, never appears in the great departments of trade and industry where competition is so free that all hope of combination is placed out of the question. It is only where there is a real or fancied prospect of securing the excessive returns that can be reached from combination, that people throw away money in the hope of driving rivals into the combinations. Where combination is out of the question, competition proceeds upon its natural and legitimate plane. Such industries may be depressed and burdened by combinations of other interests, which take away their legitimate share of production; but the practice of actually throwing away money because rivals do the same, never appears where competition rests upon the broad and universal basis that defies all attempts to control or obstruct it. It makes no difference whether the industry be one of increasing or decreasing returns, for competition regulates industries of one class just as well as the other. It makes no difference that as Professor Hadley suggests, the interest is one where there is a large investment of capital, or heavy fixed charges; because the competition regulates the prices of such industries in the building and renting of houses, and the revenue from farm products, in which the capital has assumed the most fixed form, and will be most worthless, if the revenue is not sufficient to yield the average return. Whether returns are increasing or decreasing, whether capital is fixed or floating, the one condition of an industry which produces the phenomenon of cut-throat rivalry, is the possibility or hope of using that form of conspiracy to drive competitors into a combination which, by its excessive profits shall more than make good the loss of the ruinous rivalry which has forced competitors to abstain from competition.

The other point which completely demonstrates the

purpose of this species of industrial war, is furnished by the fact that even in the industries to which cut-throat rivalry has been applied, that resort has been abandoned, when it has become clear beyond all dispute, that it is impossible to establish the combination by that means. It often takes a great deal of bitter experience to convince those who seek to build a combination upon the ruins produced by rate wars and cut-throat prices, that their favorite policy is futile and must be abandoned; but wherever this has been made plain, the ruinous rivalry ceases more completely than it has ever been stopped by the combination which it is devised to produce. Within the past week the quarrels of the Northwestern railroads over the agreement which they had sought to establish, proceeded to a point where it was plainly impossible to establish any combination. What was the result? The moment that fact was made evident, one of the leading competitors, the Chicago & Rock Island railroad, announced instead of a reduction of rates, an advance of passenger rates of from one and a half to three dollars to various points in the Northwest. About two years ago, a war on live-stock rates between the trunk lines, reduced the rate from Chicago to New York to the obviously ruinous level of nine cents per hundred. One railroad finally perceived that such reduction was only inflicting a loss that could never be recovered by any organization permitted under the Interstate Commerce law, and instead of following the policy of ruinous reduction further, announced the restoration of its rates to a normal level. Within two weeks from that announcement, every one of the rivals was carrying live-stock at the regular rates. The moment it is seen that a combination can not be established by the cut-throat policy, that moment every one of the rivals perceives that it is to his advantage to let the other rivals lose all the money that is to be lost by carrying the traffic at the ruinous level of prices.

This is the final and conclusive fact with regard to the plea of the ruinous nature of competition and of the use of combinations to establish to curb and abolish it. The ruinous rivalry which it is alleged by the supporters of combinations to be a feature of competition, is not competition at all. It is the favorite method of combination. It is the means resorted to where competitors refuse to acknowledge the sway of the combination; and the purpose of it is clear to inflict such a loss as will force every one into the combination, when, it is hoped, the excessive profit of the combination will more than repay the loss of the reckless rivalry resorted to for the clear purpose of forcing the maintenance of the combination.

How Legislation Can Be Secured.

BY BENJ. C. DE LA MATER, PASCO, FLA.

Replying to an article of Mr. N. D. Gurty, of Astoria, Miss., of April 12, 1890, in the NATIONAL ECONOMIST who queries "what had the toiling masses best to do to induce Congress to legislate in some way to relieve the laboring classes from their present financial embarrassment?" I would suggest to our worthy brother as a remedy to cease importuning Congress for anything whatever. Let the members go their own dreary journey. In accordance with the language of Scripture, they are joined to their idols (peculation); let them alone and prepare to fill their places with substantial husbandmen and from other industrial pursuits. Let us improve the opportunities

that we possess, and concentrate our efforts at the primaries and try to secure the nomination of persons whose views accord with our own, and unanimously support them at the polls. Let us be self-reliant. To do this we need to systematically organize politically.

I do not mean that we must organize ourselves into a separate political party, for at present I believe that we will meet with better success by working in the primaries (where it is practicable) and neutralize their efforts. We are by no means a political organization, but I would ask how can we hope to effect the correction of bad legislation if we eschew politics in our deliberations altogether? Finance is one of the important tramways of the running of our government. The more correctly it is understood and judiciously administered, the smoother, the more harmoniously and prosperously it will run. Let me ask what is the mission of the Farmers Alliance and other industrial organizations? Is it not to try to remove the obstructions to our pecuniary prosperity? And what greater evils do we encounter than those caused by bad legislation? In localities where a separate ticket would most contribute to the desired result it might be advisable to avail ourselves of it. To continue to support the wheel-horse politicians for office would be but to assist them in riveting the financial chains of distress upon us. Already Congress has passed the title and possession of a large portion of the nation's land into the hands of wealthy corporate companies and much of that has passed into the possession of foreign syndicates. They in turn are flooding the country with uncompanionable pauper laborers and criminals, thus disturbing the status of the laboring classes, while the importation of criminals into this country is a disturbing element in our social, civil, political and administrative affairs of the government. Only by a thorough and systematic organizing of the various industrial organizations of the whole country can we hope to effect such State and national legislation as will meet the general and pressing needs of the country and afford us the much needed relief.

The present tendency of our government, as administered by both the dominant political parties of the present and past, is, and has long been tending toward making our country one of a landed few and a homeless many; to building up a wealthy aristocracy and financially enslaving the laboring classes. Therefore the industrial classes have one common interest that should mass them into a united working body. Without concentrated action we need not hope for great success in effecting the needed changes in State and national legislation. Wealth has consolidated against us to hold us to low wages and small profits. They are putting forth their united efforts to establish themselves as our masters. They will work every device to divide our vote at the polls at every election. They will flaunt old party ties in our faces. The Lord only knows what they wont do, but if we yield not to their devices and temptations we may confidently hope for success.

I believe that the stars are propitious to our success, and that they beckon us on to victory. Shall we prove unworthy of the trust that rests on us at this time? Shall it be said of us in the history of the future that we were not equal to the occasion of the present day? Will we suffer it to be said of us that our cause was one of merit and just but we either lacked brains, acquired intelligence, or nerve necessary to fully under-

stand the condition of the political surroundings to push our advantages to a successful issue? I hope and trust not. As for me, I deny there being any truth in such an accusation.

The Wisconsin Alliance.

At Baraboo, June 3, the State Alliance of Wisconsin met with sixty-one delegates. The following officers were elected: President, Col. C. M. Butt, Viroqua; vice-president, William Toole, Baraboo; secretary, N. C. Moody, Viroqua; treasurer, S. K. Merrill, Neenah; State lecturer, A. J. Phillips, La Crosse; delegates to national convention at Omaha, Col. C. M. Butt, Theo. Carter, and William Toole. Resolutions were adopted as follows:

We, the committee appointed on resolutions, beg leave to report as follows:

Whereas, we, farmers of the United States, are most in numbers of any order of citizens, and among other productive classes have more freely given of their blood to found and maintain the nation; and whereas this Government is our Government, and any existing administration is our administration, regardless of the political party that placed it in power; and whereas many reforms are needed, and we ask for legislation and enforcement of the law to bring them about, and we demand the passage of these measures not in the name of any party, but in the name of justice and in the name of the people.

Resolved. That we form co-operation of all the agricultural and laboring classes of the nation to protect themselves from the robberies of non-producers.

That we sympathize with the just demand of labor of every class, and recognize that many of the evils from which the farming community suffers oppress universal labor, and that therefore producers should unite in a demand for reform of unjust systems and the repeal of laws that bear unequally upon the people.

That the general government with the States shall control all railroads.

That option gambling on boards of trade should be abolished, and we ask the State and Congress to pass such laws as shall make all such transactions a criminal offense.

That we are in favor of the delinquent collection of the tax on the whisky in bonded warehouses and applied for the carrying out of the sub-treasury bill demanded by the National Farmers Alliance.

That we are opposed to any system of finance that necessarily perpetuates the public debt; but that we are in favor of paying the same as fast as possible, that the surplus in the treasury may be reduced, and we demand that the government shall issue all paper money direct to the people, thus placing our circulating medium beyond the control or influence of corporate or private capital.

That the telegraph should be owned by the government and operated by the postal department.

That we are opposed to all alien ownership of land.

That the United States Senators, President and Vice-President should be elected by the people.

It was also resolved to submit the following questions to candidates for legislative positions:

Will you commit yourself to support the following propositions if elected:

1. The abolition of national banks and the substitution of legal tender treasury notes, said notes to be in sufficient quantity for the transaction of the business of the country.

2. The enactment of such laws as shall effectually prevent the dealing in futures on all agricultural and mechanical products.

3. Free and unlimited coinage of silver.

4. The enactment of laws prohibiting alien ownership of land.

5. That all national revenues shall be limited to the necessary expenses of government economically administered.

6. That the Inte-State commerce law be maintained and strengthened until our means of transportation shall be operated in the interests of the people.

EXPERIMENTS in political action by the Alliance are sufficiently diverse this year. The Dakota plan, the Georgia plan, and the Kansas plan materially differ, but may all get there.

APPLIED SCIENCE

In Agricultural and Rural Economy.

EDITED BY DR. M. G. ELZEY, OF WOODSTOCK, MD.

AGRICULTURAL DEPRESSION.

The Southern Planter for June has an article on the above subject, in which is, we think, displayed an inadequate conception of the subject. Ground is taken hostile to the sub-treasury bill, and with very cautious reserve in favor of remonetization of silver and coinage to the extent of American production, but a warning is put forth against free coinage and inflation. Great stress is laid on the increase of population and the early anticipated arrival of a time when attainable new arable areas will fall short of producing the food of the incoming millions. Professor C. Wood Davis is quoted from an article of his in the May Forum on this subject, and his conclusions adopted by the Planter. The ability and candor with which the Planter is at present edited gives to that journal a large circulation and an important influence. This influence is undoubtedly exercised conscientiously in behalf of the best interests of agriculture according to the lights which are before it. Having said this much our dissent from the conclusions of the Planter in the present case will not be misunderstood.

The Alliance sub-treasury bill is a measure which is before the people for discussion, and must stand or fall upon its merits. The bill is identical in principle with the administration silver bill, or Windom bill now pending in Congress, and which, if we understand aright, the Planter is inclined to favor, which is backed by the administration and by prominent statesmen of both parties, and by bankers and business men. The principle is therefore right. In matters of detail both bills may be wrong, but in principle one can not be right and the other wrong. The Alliance is upon record by official declaration as desiring the matter of detail to be perfected by Congress in dealing with the sub-treasury bill; and also as to the willingness of the Alliance to accept a better measure. But the Alliance declines to abandon that measure until made certain that something else better can be and will be done to relieve the depression of agriculture, which is admitted in every competent and honest quarter to be urgent and extreme.

If the objections urged against the plan proposed by the Alliance are valid and insuperable they are certain to prevail, otherwise they can have no weight in the ultimate solution of the difficulties of the existing situation. The Alliance does not desire, does not demand, and will not have anything but what is wise and well-considered, is in itself right and just, as well as fair and liberal to every other interest of the people. Relief for the prevailing depression in some form the Alliance does desire, does demand, and unless found to be beyond its power intends to have. Upon the question of demonetization of silver the Alliance is a practical unit. It is believed that the demonetization was an act of causeless cruelty and perfidy, and that the full and complete restoration of all the money functions of silver on an equality

with gold is demanded not only by justice to the people but by sound policy as well.

The Planter takes a position which indicates an inadequate conception of the urgency of the situation of agriculture, and of the measures necessary to relief, and not of agriculture only, but of all productive industry, everywhere throughout the world. That this condition of things has been deliberately planned and brought about by the combined capitalists of the world admits of no reasonable doubt. It is certain also that the method whereby combined capital is to control and absorb the profits of industry as a sponge sucks up water is through contraction of currency to increase the controlling power of money over both industry and property. Contraction is the screw whereby wages are to be forced down, and have been forced down, and rents, profits and dividends forced up. It is the means whereby labor was to be and has been reduced to the control of capital without expense, trouble, or responsibility for the care of the laborer. Yet this age boasts itself as the epoch of human emancipation.

Why, therefore, does the good Planter, why do others who hold similar views, while warning of the evils and perils of inflation, and speaking doubtfully of its morals, keep silence as to the enormities of contraction—the deliberate, the cool, the calculating villainies of it, and its deplorable and disastrous effects? It is contraction, and contraction only, which is responsible for the vast accumulations of capital in the hands of a few families, and the corresponding wide-spread poverty and want which prevail among the masses in all countries throughout the world. In the face of the facts, to deprecate the free coinage of silver as a doubtful and dangerous measure of inflation, must arise, we think, from a wholly inadequate conception of the lengths to which contraction has gone, and greatly exaggerated conception of the rapidity and amount of increase of the money volume which free coinage of silver can by any possibility produce.

The tendency of such articles as the one under discussion from representative agricultural sources is to encourage the representatives of the moneyed interests in their efforts to delay and stave off action, and to emasculate or defeat all measures which will moderate the enormous gains of capital or relieve in any degree the urgently necessitous condition of labor. If the Alliance is to accept the policy of delay and half measures in the vain hope that by and by there will be millions of paupers added to the population, and that the feeding of them will consume an imaginary surplus of the products of agriculture and put up prices, it will show itself inadequate to the functions it has assumed.

Assuredly wherever the true remedy for the deplorable poverty and degradation so widely prevalent among the masses, it does not lie anywhere in the direction indicated. That any genuine relief will be found in any measure passed by this Congress and approved by this administration is not to be hoped for. They answer the demand of the people for more money and less taxes, by the McKinley bill and the Windom bill, which mean more taxes and less money. These are the measures for the "fat-fryers," and when they are put forward as in the interests of the people and of the laboring masses, and the poor, we are reminded of one of the most memorable scenes

ever enacted on earth. When she who is one of the loveliest and purest of the human character portrayed in the Bible, moved by the prophetic instincts of her woman's heart, poured the precious ointment on the hallowed head of the Prince of Glory, Judas, who afterward sold the blood of his Master for thirty paltry pieces of silver, his face darkened with all the miserly instincts which rankled in his heart, blacker than hell, scornfully complained "why this waste? This ointment might have been sold for three hundred pence and given to the poor." Not, indignantly exclaims the recording apostle, that he cared for the poor, but because he was a thief and had the bag.

SOJA BEANS AND JAPAN CLOVER.

Not that the writer lacks hobbies of his own he has borrowed these two from old Virginia friends. Living in central Maryland, and evidently not far from the northern limit of possible usefulness of Japan clover, the present object is to test it in this locality by sowing in thin washy spots and open spaces in woodland and to see and report whether it will do well and reseed itself satisfactorily so far north. It has come up well and is beginning to cover the ground densely, and so far so good. Of the value of this plant as far north as it can be depended upon to reseed itself we believe there is no manner of doubt.

We have brought the soja bean here to test its qualities as a field pea for green fallow in this section. Of its value for that purpose at the south the reports of Major Gaines and others who have tried it are evidence sufficient. We are of opinion that one great harm has been done to the agriculture of America by guano and commercial manures in general. Not by any means that they *per se* injure land, but because the commencement of their use has caused a too exclusive reliance upon them, and the neglect of organic manures. Our lands are beginning to feel severely this lack, and the continued and increased use of chemical manures does not supply the deficiency, and hence crops are becoming more and more uncertain, and the average yield rather decreasing, notwithstanding the increased use of these costly manures. Clover fallows are the best and cheapest means of supplying the needed organic matter. But on some lands clover does not thrive well, and many of our lands are already so or becoming "clover sick." Especially is this the case in parts of Maryland and Virginia. We have therefore taken up with Major Gaines' hobby for the purpose of calling attention to a valuable green fallow plant, and with the further object of insisting upon the necessity of more organic matter in our soils, the lack of which is, we think, undoubtedly the weak point in American agriculture.

Lack of organic matter reduces the capacity of soils for the retention of hydroscopic moisture in time of drought, and the use of guano and chemical salts and acids enhances the effect of dry, hot sun in parching up vegetation. Under such circumstances, the effect of the commercial manures may be and often actually is to decrease the yield of the crop to which they are applied. This is not the fault of the commercial manure, but the result of its unskillful use. The writer entertains not the smallest doubt that the sheet anchor of all permanently successful and strictly scientific agricultural practice was always, is now, and will always be green fallow crops and animal

manures; these duly supplemented by the judicious, skillful and scientific use of commercial manures, respond to all the demands of experience, practice and science as combined in the highest development of modern agriculture.

He who farms depending exclusively on commercial manures is as one who builds a house not founded on a rock, neither founded on sand, but with no foundation under it. The true foundation is green fallow; the ground floor animal manure; the superstructure commercial fertilizer.

ASSIMILATION OF NITROGEN BY PLANT.

Sir John Bennet Lawes and Dr. Gilbert have been investigating the supposed assimilation of free nitrogen by leguminous plants, especially the clovers, and they come to the conclusion that by the help of a parasitic organism the rootlets develop nodules, and that by means of the nodules nitrogen ultimately derived from the atmosphere is assimilated.

It is believed that the parasite organisms assimilate the free nitrogen and reduce it to combined nitrogen, nitric, or nitrous acid; then absorbed or assimilated by plants. The writer has anticipated for some years the announcement, impressed by the agricultural facts with the belief that combined nitrogen of meteoric origin was not sufficient to account for the nutrition of crops, and that a supply of telluric or soil origin must in some way be accounted for. The researches now detailed appear to establish that the living organisms of the microbial sort are essential to the conversion of the atmospheric nitrogen into assimilable forms. In what manner they perform this office is not yet quite clear. The relations between these organisms and the leguminous plants are not elucidated. The fact that legumes are able to draw upon nature for nitrogen of ultimate atmospheric origin, which is not accessible by graminac, appears to be established, and confirms the legumes in their position as fallow crops, which lie at the foundation of a scientific agriculture. The writer is of opinion that perhaps other plants, and notable the common blue thistle, will be found to be associated with clover and other legumes as soil improves. There is some reason to think tobacco also reaches this source of nitrogen supply.

The line of investigation is most important and interesting, both from a scientific and practical point of view. Why we must continue to depend for all such important advances in the science of agriculture upon foreign observers it seems hard to tell, seeing that we maintain both national and State agricultural establishments.

Our national department has always lacked a specially organized division of experimental culture, and that deficiency ought at once to be supplied. It seems astonishing that this has been overlooked this long. The attention of Secretary Rusk is invited to this deficiency, and it is hoped it will receive his early consideration.

The Marion County Farmers Alliance (Buena Vista, Ga.) seems to have expected it:

While Captain Reuben Kolb, of Alabama, was undoubtedly the choice of the people of that State for governor, his defeat in the nominating convention was no surprise to Alabamians in Georgia. The sooner this question is submitted direct to the people through primaries, and not to the manipulation of educated politicians in conventions assembled, the larger, perhaps, will harmony exist in party.

AN INTELLIGENT STATEMENT.

The following letter is reproduced from the Caucasian, which paper states it was not intended for publication. Mr. Grady is a widely-known teacher of North Carolina, and what he says in this private letter is worthy of due consideration:

My Dear Mr. Beaman: I have delayed answering the question in your letter received several days ago because of a lack of time. My position as to the sub-treasury proposition of the Farmers Alliance cannot be made clear to you nor defensible in myself without an explanation more or less elaborate.

You and I have always been strict constructionists of the "most straightest sect," but we have reached a point in our career as people where strict construction does not meet the demands of the situation, and, in my judgment, is not involved on the issue which has been joined.

Be patient with me, and I will explain. The government of the United States was created by the thirteen States to "establish justice, insure domestic tranquility, * * and secure the blessings of liberty to ourselves and posterity." How far these purposes have been complied with by those who have been deputed to administer the government we may judge from a consideration of a few facts:

1. The first Congress, without warrant in the constitution, saddled on the farmers and laboring people of the Union, at a time when the total population was about three millions, a debt of twenty-one millions of dollars for the benefit of the commercial class in one section of the Union.

2. A standing law of the Union has always given a monopoly of the coastwise trade to domestic vessels, thus placing in the hands of the owners of these vessels the power to levy tribute on the farmers and laboring people. This has always been justified on the plea of patriotism, and from that standpoint may be defensible, but its effect has not been to establish "justice."

3. With modifications now and then, legal power has been conferred from the beginning on the fishermen of the New England coast to draw out from the people's treasury monies for which they have performed no service.

4. Equally without warrant in the constitution a system of encouraging domestic manufactures has robbed the farmers and laboring people for the benefit of a class with consequences which I need not indicate.

5. An unjust and unconstitutional system of internal taxation has impoverished the toiling masses of the country. Do you ask why I think it unconstitutional? The tax on whisky is an "excise" tax. Now an excise is a part cut off a tax in kind—and certainly ninety cents a gallon cannot be a part of the value of a gallon of whisky. Moreover the constitution declares that taxes shall be uniform throughout the United States, whereas this tax is not paid in prohibition States. Let each State tax its whisky drinkers.

6. A banking system has been established, without warrant in the constitution, which has, for a quarter of century, been empowered to expand and contract the market prices of the products of the country so as to enrich themselves at the expense of their helpless victims.

7. The halls of Congress have been, ever since you and I have had any knowledge of public matters, a Pandora's box out of which has flowed a continuous stream of evils disturbing and destroying our "domestic tranquility."

8. The money unjustly taken from the people has been to an enormous amount squandered in ways and for objects not contemplated by the States when the constitution was ratified by them.

Now it is as clear as noon day that if the government could be to-day set back on the track intended and laid down by the patriots of a century ago, there could be no reparation of the mischief that has been done; the classes heretofore favored would have all the money and the farmers and laborers would still be in their power. Money is power and the man who has it can use it to further his own selfish purposes, law or no law. These facts and these considerations have caused me several years' anxiety. I have been in doubt as to what position I should take with a gradual veering to the purposes of the Union, and a lingering look back at that "rascally virtue," consistency. In this frame of mind I once favored the Blair bill, which I afterwards opposed on other grounds. The position I now hold is to advocate any measure which may give the people of the coun-

try an opportunity to get even with those who have been the beneficiaries of the government. An income tax, although in its nature incapable of being "uniform," and, therefore, unconstitutional from the standpoint of the strict constructionist, is one of the measures, and has the merit, if it is a merit, of having been sustained by the Supreme Court. The sub-treasury scheme of the Alliance is another; and, while it is objected to on the plea that it is not warranted by the constitution, the strictest constructionist cannot deny the power of the government to remedy the evils which have been inflicted on the farmers and laboring people by that government. To undo a wrong can never be unconstitutional.

I need not cite precedents to justify the building of warehouses, &c. The old United States Bank, the distillers' warehouses; the loaning of public money to banks disguised under the name of "deposits;" the loaning of money to the Philadelphia Centennial committee, and to the various expositions; expansions and contractions of the currency by act of Congress; the donation of public money to the Pacific Mail steamship line, and other like subsidies, the donations of large sums annually to the widows of deceased Presidents and ex-Presidents—these may be cited as precedents for even the giving of money to the producers of raw material in this country. But we do not need precedents; we need simply to know that our proposition will tend to "establish justice," and rectify the wrongs of a century.

Revolutions never go backwards, and governments never peaceably go backwards, and your children and mine will not live long enough to see the government of the United States confined to its constitutional functions. Indeed I have no expectation that it will ever be. History does not so teach me. What, then, shall we do? Clearly it is our duty to arouse the people to rise up in their might and demand such legislation as will give them a share of the "blessings of liberty" intended for them by our forefathers. When this result is reached, it will be time to talk about the constitutionality of the sub-treasury scheme.

These are my views, and this is my purpose, undeterred by the cry of "hay-seed socialist" raised by the plutocrats and their hired attorneys.

B. F. GRADY.

N. L. WHITFIELD, James R. Maxwell, T. M. Barbour, and L. F. Burks, represented Tuscaloosa county, Alabama, in the recent State nominating convention. These gentlemen have published an address to their fellow-Democrats, detailing the methods which prevailed in the contests before the convention from several counties, showing how the unit rule gagged Kolb's friends, and leaving little question in the mind of the reader that the Democratic machine of Alabama controlled the body by sharp practice. Of the temper of many of the defeated majority judgment may be formed by the following extract from the address:

One thing you may be sure of, if it were not for the ominous cloud that is ever present and hanging over us, the danger that the political power of the State might be captured by the black cohorts of republicanism, not a single Kolb delegate on that floor, but what would have taken up his hat and marched out of the convention. Nothing held them there but the certain conviction that it was better to submit to the outrage than to divide the white race and imperil the Democratic party. How that feeling compares with the expressed determination of the delegation from Jefferson county, as quoted from one of its members, we leave with you to decide.

RALPH BEAUMONT, chairman of the legislative committee, K. of L., will make quite a tour through the West. In addition to filling his engagement at Winfield, Kan., July 4, he will make six addresses in Dakota, and is booked for dates in other States.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Free Press (Winfield, Kan.) reports the Alliance Exchange as doing a good work, keeping six clerks busy. It says:

There is a vast difference in the number of papers that are supporting the Alliance now than a year ago. With some it is principle, while with others it is policy.

The first number of the Union, published at Brookfield, Mo., a neat eight-page six-column paper, is to hand. It is reform to the backbone. It says:

The partisan press manifests no desire to intelligently canvass the demands of the Farmers and Laborers Union. Its only hope is to maintain a most deadly silence, or draw off the attention of the people from the real issues of the hour by howling along the line of tariff reform, or bewailing the awful degeneracy of the times, as indicated by the sturdy condition of the spoils system. Bah!

The Indianapolis (Ind.) Globe says:

Many of our dear old party newspaper friends are just now expressing great friendship for the farmers. They think it would be very degrading for the farmer to meddle with politics, and tearfully advise them to have nothing to do with it. The fact is, the farmers have been taking that kind of advice until the politicians have got about all they possessed, and are now after the farmers to make serfs of them.

The Union (Luray, Va.) says:

The movement which has been started by the farmers of our country, will not only benefit the tillers of the soil, but will bring about a better state of things generally, and the toiling millions, which include the mechanic and the laborer, as well as the farmer, will reap their just reward.

The Lebanon (Kan.) Journal tells of the condition of the farmer:

But gradually the tide of thought arises as around the family hearth they gather to discuss the condition of the documents they are compelled to sign to get money. Why, they begin to reflect, we are the very bone and sinew, the very spinal column, the bread of life of this nation, and yet we are compelled as a class—through a system of legislation so cunningly devised that until very recently we could hardly see through it—to set supinely by and take whatever we were offered and give the other fellow all his conscience would allow him to ask; and—and—then what? Well, about election time he would come around and dish up a smooth dose of taffy, and we would actually vote to perpetuate that same system that gave us no rights whatever that a combination of commercial interests were bound to respect.

The Torch of Liberty (Mound City, Kan.) says:

Between the supreme court decisions, combines, trusts, contraction and old party politics, the people have but little to say about their personal rights; what they will sell for, or what they shall pay for the products of labor, or how much money the country needs to do business with, or who shall issue it, or how much it shall cost those who use it. They bear about the same relation to the business of the country as children and fools do to the family affairs.

The National Alliance (Houston, Tex.) organ of the colored Alliance, advises:

Vote for principles, not for parties. It can make no difference with us whether a man is a Democrat, a Republican, or any other partisan, so long as our wives are barefoot, our children naked, and our homes mere hovels. We want a man who will work for the sub-treasury, who will see to it that the people have money at one per cent interest, just as the bankers have it.

The Rural Home (Toisnot, N. C.) makes a pointed application:

Cotton selling at 12 cents. Now my brother farmer you were compelled to sell your cotton last fall for nine cents, how much did you lose by it? Only about \$12 on a 400 pound bale. There was at least 5,000,000 bales sold before the rise took place and the speculators only have stole about \$60,000,000 on last year's crop. Enough money to have

built all the warehouses needed by the sub-treasury plan of the Alliance, North, South, East and West. That does not include samples nor loss in weights. Now if you could have had warehouses and held your cotton you can readily see how much benefit it would have done you. Yet you are told that it will not help you. Do you see who was benefited by not having warehouses? No enumeration has been made to show how much has been lost by the rise in grain which the speculators have made.

The Toiler (Nashville) commenting upon a statement by the Alabama Mirror that the sub-treasury plan is growing in favor with the people, says:

Some of the politicians are trying to create a prejudice against our State President, Hon. J. P. Buchanan, because he favors legislation to relieve farmers from the clutches of organized combines. Bro. Buchanan is not hide-bound on the sub-treasury bill. He says if our national legislators will give us something better he is willing to accept it; but one thing is evidently fair, the leaders ought to give us a remedy in some other form or stop their fight on our Alliance plan, and one thing certain, we are not going to surrender our convictions to Mills, Carlisle or any other leader on this question of relief unless they will propose and advocate some better remedy. The corner robbery business men may ridicule farmers for having honest convictions contrary to our intellectual giants year after year with their conditions getting worse all the time, and unless they see plainly that their interests are protected they must do it themselves. Confidence is too much shaken to surrender all our convictions to smart politicians.

Iowa Tribune (Des Moines, Iowa); every one so far among the members of Congress who have attacked the sub-treasury plan has done so at the expense of his previous record:

Senator Carlisle has written a long letter to a constituent reviewing the Government warehouse plan, and opposing it vehemently. He concludes that it will not benefit the farmers. His panacea for all their ills is a reduction of tariff duties. Mr. Carlisle is the man who has done more, perhaps, than any other member for the Kentucky distillers. The very provisions which they enjoy to ripen their whisky at public expense, so to speak, are all right, but the man who raises wheat and cotton and corn would not be benefited by like treatment. He must take his chances with the bulls and bears and bankers. Mr. Mills, of Texas, has also written a similar letter to a constituent. He refuses to support any such bill, believing that a reduction of tariff duties will bring all the relief required, meantime the United States Government continues to loan its credit to national bankers at 1 per cent on twenty years' time. We wonder if Mr. Carlisle would argue that this does not help the bankers. Probably he would.

The Alliance Sentinel (Lansing, Mich.) says:

If you want a representative in Congress to tell you what kind of money to have, and how much, of course you want to send a banker, he knows all about it—he deals in the stuff. He can easily tell how much you want by the clothes you wear and the collateral you are ready to put up.

FROM CORRESPONDENTS EVERYWHERE.

Rev. G. L. Rarick, of Formosa, Kan., writing for an Economist Almanac, closes: "The Farmers Alliance is doing a good work in this (Jewell) county. We expect to elect our Congressman this fall in this (the Sixth) district."

An Alabama correspondent desires to know why it became necessary to have 5,000 copies of the sub-treasury bill as introduced in the Senate printed? There were demands for copies from all quarters, as the people wanted to study its provisions.

John A. Potter, Lansing, Mich., writes that Ingham county has organized and made the Alliance Sentinel its organ. The work is proceeding vigorously, and Mr. Potter and State Lecturer Coleman, of Mississippi, have put on war paint, intending to make a vigorous campaign in Michigan.

S. C. Howe, of Detroit, Mich., sees little good in trying to secure the sub-treasury through the present Congress. Whatever the result, the effort is a duty, as the people are suffering while they wait. Mr. Howe says: "Instead of spending so much time on our misrepresentatives in this Congress, prepare to concentrate on getting representatives

into the next, disabused of their old prejudices, superstitions, and hobgoblins, honest and bold enough to declare and fight for the principles they were elected to carry out; who will call a spade a spade, and spit a lie on the wing." He thinks that there can never be too much money until there can be an exchange of all products of labor on a cash basis.

William Hunt, Ancora, N. J., writes impressing the importance of a periodical, issued quarterly, to be circulated at a very low subscription rate, for propagation of important economic matter and statistical information. This is a most excellent idea, and THE ECONOMIST hopes to accomplish something in this line.

J. L. Williams, Water Valley, Tenn., incloses an attack by a local politician on the sub-treasury. He says: "The machine politicians are growing restive; they fear the farmers are beginning to think for themselves, and that they will not in future be so easily controlled by ring bosses." That is doubtless a true diagnosis.

L. R. Harshfield, Fredonia, Kan., says he don't find many members reading the right kind of literature. He thinks initiations ought to be raised to \$1, half to go to six months' subscription to the ECONOMIST. New members coming into the order from both old parties find it difficult to understand the true nature of the order and its non-partisan features.

J. H. Robertson, Mount Vinco, Va., says he is "engaged in writing up the tax books of Buckingham county, and is forcibly struck with the injustice of the present tax laws, which, save when the owner is exceptionally honest, allows all evidences of debt to escape taxation." This species of property should be brought within the grasp of the law, as Brother Robertson thinks.

J. A. Logan, member of the executive committee of Alabama, thinks "if our people were educated in the science of economic government the trouble would be over, the victory won." He thinks there should be a per capita assessment to provide literature to every member of the order. The opinion that more adequate educational provision is needed is rapidly gaining ground.

W. S. Smith, of Endora, Tex., thinks the land-mortgage work of the census will not show the real debt of the people. Because of the protection given the homestead in Texas, this is true, as the indebtedness takes the form of crop and chattel mortgages; but in other States the data will be more conclusive. The correspondent says many people in his county never get out of debt or have a dollar.

J. I. Napier, lecturer of Marlboro' County Alliance, South Carolina, desires that proper questions be submitted to candidates for legislative positions. Georgia has adopted an "Alliance Catechism," which is excellent, to which the brother is referred. It is most important that Federal representatives be sent who will obey the people, and not the caucus, in either branch of Congress.

A. Wardall, of Huron, S. Dak., writes: "Terrell gave great satisfaction. We ratified the action of our delegates at St. Louis unanimously; ditto sub-treasury; 413 to 82 for the independent movement, and most of the nays approved, but were instructed; approved Featherston bill; 700 in attendance, and a big time; secret work adopted; Ruralist made official organ, as has been done in North Dakota; endorsed equal suffrage and prohibition. No flies on the two Dakotas."

J. W. Jones, of Brown's Summit, N. C., exposes some of Senator Carlisle's ignorance concerning the sub-treasury. The new-fledged Senator halts considerably in his effort to show that the farmers can not afford to store their products. He forgets that they must be stored under the present or any other system, and always at the farmer's expense. He is said to be more familiar with the cost of whisky storage, and a staunch supporter of the system applied to that product.

J. C. Finnell, Eupora, Miss., writes: "The dormant talent of the farmer, which has so long overborne by physical exertions for mere bodily sustenance, has been thoroughly aroused to action by the truths taught by the NATIONAL ECONOMIST. Never, in the history of the country have farmers used the brain power so effectually as at present. It is surprising to see men who a few years ago went to their plows with dwarfed intellect and after toiling from 10 to 14 hours a day never thought of nor had an opportunity to read the cause of their depressed condition, but took it for granted that the partisan politicians would guide the ship of State aright. Such men to-day armed with the Econo-

mist have open eyes and active intellects, and it can no longer be said of them, "The patient ox submits to yoke and meekly performs the labor required of him."

J. K. P. Wallace, of Andersonville, Tenn., sends resolutions of East Tennessee Farmers' Convention, as follows:

"That we urge upon the attention of Congress the importance and necessities of the agricultural interests, and we believe the evils which overshadow us may be remedied by judicious legislation. We demand that Congress give our tariff laws such revision and modification as will put agriculture upon an equal footing with other interests.

"That our monetary system be placed upon such a basis as will restore silver to its legal tender value and give us a currency commensurate with the needs of our rapidly increasing population."

From Huntsville, N. C., a correspondent sends a short Allianc ecatechism:

Question. What is the Farmers Alliance? Answer. The Farmers Alliance is an organization of the farmers wherein they meet to exchange opinions on economy and formulate plans for their own welfare.

Q. What is the sub-treasury plan? A. The sub-treasury plan is an offspring of one of these meetings, whereby the farmers hope to obtain better prices for their products, and to free their farms from cumbersome mortgages.

Q. What is honest government? A. Honest government is the act of incorruptible legislators and upright judges.

Q. What are the benefits which in this life shall accompany or flow from the Farmers Alliance, the sub-treasury plan, and honest government? A. The benefits which in this life shall accompany or flow from the Farmers Alliance, the sub-treasury plan, and honest government, are the bringing about of a co-operative feeling between the sections, the arousing of their mutual sympathies, a better understanding of the condition of the country, cheap money, enactment of laws for the country instead of for the rich few, and perseverance therein to the end.

REPORT OF THE SECRETARY OF AGRICULTURE.

The first annual report of the Secretary is now published, and seems to be a very complete and comprehensive summary of everything relating to that Department. The Secretary shows the great difficulties attending the task he has had in organizing from a bureau to a Department of this great Government the business intrusted to him, and announces as the "immediate wants of the Department appropriations and a laboratory." He shows the necessity for these at some length. This report shows great care in preparation, and an earnest desire to inform the people instead of misleading them. In this respect it is a refreshing exception to the general run of Government publications. There are many valuable statistics, treatises, and other matters of information, which tend to make it an important addition to agricultural literature. Every farmer should send for a copy.

We have received from the Department of Agriculture Bulletin No. 11 of the Section of Vegetable Pathology, which describes in great detail the experiments of 1889 made under the auspices of the Department. It is clearly shown that many very destructive fungous diseases, which devastate the garden, the orchard, and the vineyard, are within control by means inexpensive and simple. The work of this section is of very great value and importance. We suggest to all interested to get this bulletin. Accompanying the bulletin we have a pamphlet, being an extract from the Journal of Micology. This pamphlet is a practical resume of the composition and effect of the fungicide mixtures which have been found most effective in the treatment of the diseases of plants. It would be interesting to know how far these sprays protect plants from insect ravages.

Official Organ of the National Farmers Alliance and Industrial Union.

THE NATIONAL ECONOMIST

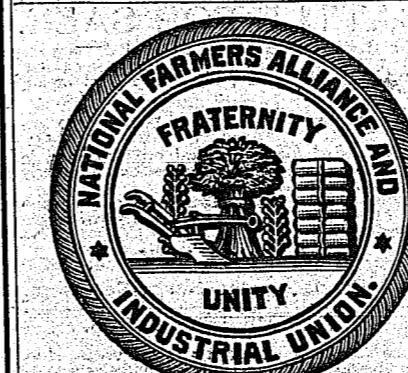
Volume 3.

SATURDAY, JUNE 28, 1890.

Number 15.

TABLE OF CONTENTS.

HARRY TRACY REPLIES TO THE HON. R. Q. MILLS' LETTER TO THE MILLAM COUNTY FARMERS ALLIANCE	225
CLASS LEGISLATION	229
A FINANCIAL HISTORY (No. 18)	235
GOLD FROM THE UNITED STATES	233
RAILWAYS, THEIR USES AND ABUSES (No. 58)	By James F. Hudson 233
A NOTABLE SERMON	228
APPLIED SCIENCE	By Dr. M. G. Elzey 236
ROTATION AND DIVERSIFICATION	By J. D. R. 236
A NEW PARTY, OR NOT?	By J. A. Tett 237
THE SENATE SILVER BILL	230
A PLAN OF CAMPAIGN	By C. B. Hemingway 237
IGNORANCE OR DUPLEXITY—WHICH?	By Charles Jenkins 237
THE REFORM PRESS	239
FROM CORRESPONDENTS EVERYWHERE	240



OFFICIAL DIRECTORY OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

I. L. Polk, President, North Carolina.
B. H. Clover, Vice President, Kansas.
J. H. Turner, Secretary, Georgia.
W. H. Hickman, Treasurer, Missouri.
Ben. Terrell, Lecturer, Texas.
Executive Board—C. W. Macune, Chairman; A. Wardall, J. F. Tillman.
Judiciary Department—R. C. Patty, Chairman; Isaac McCracken, Evan Jones.
Legislative Committee—C. W. Macune and A. Wardall.

The President, Secretary, and Chairman of Executive Board are located at 511 Ninth street northwest, Washington, D. C.

ALABAMA.

President—S. M. Adams, Randolph.
Secretary—J. P. Oliver, Dadeville.

ARKANSAS STATE UNION.

President—John P. Russ, El Paso.
Secretary—R. H. Moreland, Hazen.

ARKANSAS STATE ALLIANCE.

President—Paul T. Davidson, Holly.
Secretary—W. B. W. Heartsill, Greenwood.

COLORADO.

President—J. H. Brannier, Burlington.
Secretary—W. S. Starr, Hoehne.

NORTH DAKOTA.

President—Walter Muir, Hunter.
Secretary—M. D. Williams, Jamestown.

SOUTH DAKOTA.

President—H. L. Loucks, Clear Lake.
Secretary—Mrs. Sophia M. Harden, Woonsocket.

FLORIDA.

President—R. F. Rogers, Little River.
Secretary—A. B. Raskin, Anthony.

GEORGIA.

President—I. P. Livingston, Cora.
Secretary—R. L. Burks, Atlanta.

INDIANA.

President—Thomas W. Force.
Secretary—W. W. Prigg, Middletown.

INDIAN TERRITORY.

President—H. C. Randolph.
Secretary—Lyman Friend, Purcell.

KANSAS.

President—B. H. Clover, Cambridge.
Secretary—J. B. French, Hutchinson.

KENTUCKY.

President—S. B. Erwin, Bowling Green.
Secretary—B. F. Davis, Ezel.

LOUISIANA.

President—T. S. Adams, Clinton.
Secretary—J. W. McFarland, Homer.

MISSOURI.

President—H. W. Hickman, Puxico.
Secretary—J. W. Rogers, Puxico.

MARYLAND.

President—Hugh Mitchell, Port Tobacco.
Secretary—T. Canfield, Jenkins, Pomonkey.

MISSISSIPPI.

President—R. C. Patty, Macon.
Secretary—C. T. Smithson, Newport.

NORTH CAROLINA.

President—Elias Carr, Old Sparta.
Secretary—E. C. Beddingfield, Raleigh.

SOUTH CAROLINA.

President—E. T. Stackhouse, Little Rock.
Secretary—J. W. Reid, Reidville.

TENNESSEE.

President—J. P. Buchanan, Murfreesboro.
Secretary—E. B. Wade, Murfreesboro.

TEXAS.

President—J. D. Fields, Manor.
Secretary—S. O. Daws, Springtown.

VIRGINIA.

President—G. T. Barbee, Bridgewater.
Secretary—J. J. Silvey, Amissville.

WISCONSIN.

President—Col. C. M. Butt, Viroqua.
Secretary—N. C. Moody, Viroqua.

NEW MEXICO.

President—J. N. Coe, Lincoln.
Secretary—W. L. Breeze, Nogal.

WASHINGTON, D. C.:

THE NATIONAL ECONOMIST PUBLISHING CO.

Subscription Price, \$1.00 Per Year.

Single Copy, 5 Cents.

THE NATIONAL ECONOMIST.

President Polk's Appointments.
Kentucky, Henderson, Thursday, June 26.
Indiana, Shoals, Friday, June 27.
Illinois, Mount Vernon, Saturday, June 28.

Missouri, California, Monday, June 30.
Missouri, Marshall, Tuesday, July 1.
Kansas, Columbus, Thursday, July 3.
Kansas, Winfield, Friday, July 4.
South Dakota, Huron, July 9.
North Dakota, Valley City, July 10.
Wisconsin, Sparta, July 14.
Illinois, Morrison, Tuesday, July 15.
Michigan, Cold Water, Thursday, July 17.

Indiana, Anderson, Friday, July 18.
Tennessee, Knoxville, Monday, July 21.
South Carolina, Greenville, Wednesday, July 23.
North Carolina, Greensboro, Thursday, July 24.

He expects to be in Nebraska July 7, in Minnesota July 12. The points at which he will speak in these States will be determined and published. He is anxious to meet as many officers and brethren in these States as possible.

All papers in these States friendly to our cause will please publish the above.

Lecturer Ben Terrell's Appointments.
Missouri, June 19th to July 10th.
Kansas, July 12th to July 19th.
Indian Territory, July 22d to July 30th.

MISSOURI.

California, Monday, June 30.
Marshall, Tuesday, July 1.
Lexington, Thursday, July 3.
Sedalia, Saturday, July 5.
Clinton, Monday, July 7.
Nevada, Wednesday, July 9.

KANSAS.

Larned, Saturday, July 12.
Anthony, Monday, July 14.
Marion, Tuesday, July 15.
Ottawa, Wednesday, July 16.
La Cygne, Thursday, July 17.
Girard, Saturday, July 19.

INDIAN TERRITORY.

Pauls Valley, July 22.
Dougherty, July 24.
Colbert, July 26.
Caddo, July 28.
Eufala, 2 p. m., July 30.

Washington Seminary,

ATLANTA, GEORGIA.

BOARDING AND DAY SCHOOL FOR GIRLS.

THE MUSIC SCHOOL

Is under the direction of ALFREDO BARILL.

MRS. BAYLOR STEWART, Principal.

SCHOOL SUPPLIES.

If you want the best desks, the best "aids to school discipline," slate, paper, or any other style of black boards, or any other "tools to work with" in the school-room, such as maps, globes, charts, or black boards, the best thing to do is to write to the J. B. Merwin School Supply Co., St. Louis, Mo., for special introductory prices on these articles. This firm furnishes the best goods at the lowest prices, and will take pleasure in answering all inquiries. Address the

J. B. MERWIN SCHOOL SUPPLY CO.,
1104 Pine street, St. Louis, Mo.

We speak from personal knowledge, as we have dealt with this firm.—[Ed.]

WHY Sell Your Produce at Home
WHEN YOU CAN
Strike a Better Market.
WE RECEIVE AND SELL
BUTTER, EGGS,

**POULTRY, VEAL, HAY, GRAIN,
WOOL, HIDES, POTATOES,
GREEN AND DRIED FRUITS,**

OR ANYTHING YOU MAY HAVE TO SHIP. Quick
eats at the highest market price and prompt
turns made. Write us for prices, tags, ship-
ping directions or any information you may
want.

SUMMERS, MORRISON & CO.,
Commission Merchants, 174 So. Water St., Chicago.
Reference Metropolitan National Bank.

**M. G. ELLZEY & SONS,
BREEDERS & FANCERS.**

Roadsters, Carriage and Saddle Horses, South-
downs (pure Walsingham Strain), Bronze
Turkeys, Pit Games, Pigeons.

Address M. G. ELLZEY, M. D.,
WOODSTOCK, HOWARD COUNTY, MD.

T. A. CLAYTON,
Agent of the Farmers Union Commercial Associa-
tion of Louisiana, Limited,
198 Gravier st., New Orleans, La.

Headquarters for purchase of Sugar, Molasses,
Coffee and Rice, and for sale of Cotton, Staves,
and all country produce.

PITTSBURGH SCALE CO., Ltd.
75 Third Avenue, PITTSBURGH, PA.

Will sell you 1-5 ton Standard Wagon
Scale, 8x15 foot platform, Double Brass
Beam, Iron Levers, Steel Bearings, for \$60.
Freight Paid. Write for circulars of informa-
tion.

The best goods, fully warranted, for the least
money. One vehicle, or one set of harness, at
car-load rates. Sell direct to consumers at man-
ufacturers' prices. Send for catalogue. Address
THE MIAMI BUGGY CO., Cincinnati, Ohio.

**GERMAN SILVER
Watchcharm & Key Ring**

With YOUR NAME and
ADDRESS, and

EMBLEM
Of the Farmers Alliance
sent upon receipt of 25
Cents to any address.
Postage Stamps taken
in Payment.

WM. BAUMGARTEN,
213 E. Fayette St., Baltimore, Md.

Holton Stock Farm,
ROB'T E. PARK, PROPRIETOR,
HOLTON, BIBB COUNTY, GEORGIA.
E. T. V. & G. R. R. Eight miles from Macon.

**IMPORTED SHETLAND PONIES,
REGISTERED BERKSHIRE PIGS.**

REGISTERED JERSEY CATTLE
Of best Butter Families.
Several handsome Jersey Bull Calves, thorough-
bred and graded Jersey Heifers for sale.
Address

**ROBERT E. PARK,
MACON, GA.**

Mention ECONOMIST.

THE MORRISTOWN LAND AGENCY,

P. O. BOX 35, MORRISTOWN, TENN.,
Has the largest lot of COAL, TIMBER, MIN-
ERAL, and FARMING LANDS FOR SALE in
the State. Correspondence solicited.

THE FINEST ON EARTH.

The CINCINNATI, HAMILTON & DAYTON
R. R. is the ONLY LINE running PULLMAN'S
PERFECTED SAFETY VESTIBULED TRAINS,
with Chair, Parlor, Sleeping and Dining Car ser-
vice between Cincinnati, Indianapolis and Chi-
cago, and is the ONLY LINE running THROUGH
RECLINING CHAIR CARS between Cincinnati,
Keokuk and Springfield, Ill., and Combination
Chair and Sleeping Car from Cincinnati to
Peoria, Ill., and the ONLY DIRECT LINE be-
tween Cincinnati, Dayton, Lima, Toledo, Detroit,
the Lake Regions and Canada.

The road is one of the oldest in the State of
Ohio, and the only line entering Cincinnati over
twenty-five miles of double track, and from its
past record can more than assure its patrons
speed, comfort, and safety.

Tickets on sale everywhere, and see that they
read C. H. & D., either in or out of Cincinnati,
Indianapolis, or Toledo.

E. O. McCORMICK,
General Passenger and Ticket Agent.

J. B. DINES,
MISSOURI FARMERS ALLIANCE BUSINESS
AGENCY,
317 Olive Street, St. Louis, Mo.

SPECIAL ARRANGEMENTS TO HANDLE WOOL IN
LARGE OR SMALL QUANTITIES.

Central Point for purchase and sale of Flour,
Grain, Provisions, Machinery and Merchandise.
Best rate yet obtained on Alliance seals and
badges.

**HOLSTEIN-FRIESIAN
CATTLE FOR SALE.**

On account of continued ill health, I am un-
able to give my personal attention to my cattle,
and will therefore offer the entire herd or any
portion of it at

VERY LOW PRICES.

Cows tested for butter and milk, ranging as
high as 20 pounds of butter per week and nearly
18,000 pounds of milk per year.

A fine lot of yearling heifers bred, and a grand
lot of heifer calves. Also a few bulls from highly-
tested cows.

W. B. CLARK,
Goodlettsville, near Nashville, Tenn.

PREMIUMS FOR CLUBS.

The NATIONAL ECONOMIST is now prepared to
offer any one of the following articles as premi-
ums, to be sent postage paid from this office, for
clubs of subscribers at one dollar per annum:

CLUBS OF TWO.

The NATIONAL ECONOMIST ALMANAC for 1890,
to be mailed after December 15. A hand book
of facts valuable for farmers and laborers.

CLUBS OF FIVE.

One copy of "Plutocracy; or, American White
Slavery," by Hon. Thomas M. Norwood, of
Georgia, bound in paper.

One copy of "Philosophy of Price," by N. A.
Dunning, bound in paper.

CLUBS OF SIX.

A copy of Volume 1 of THE NATIONAL ECON-
OMIST, neatly bound in strong paper.

CLUBS OF TEN.

One copy of Dunning's "Philosophy of Price,"
in cloth.

One year's subscription to THE NATIONAL
ECONOMIST.

CLUBS OF FIFTEEN.

One copy of "History of the Wheel and the
Alliance, and The Impending Revolution," by
W. S. Morgan.

To secure either of these club premiums it is
not necessary to send all of the names at once,
but notice of intention to claim the premium
should accompany the first order.

THE NATIONAL ECONOMIST

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

VOL. 3.

WASHINGTON, D. C., JUNE 28, 1890.

No. 15.

HARRY TRACY

Replies to the Hon. R. Q. Mills' Letter to the
Millam County Farmers Alliance.

Having voted for Hon. R. Q. Mills at every elec-
tion in which he was a candidate since Millam county
was attached to the Ninth Congressional district, and
having at every election since 1860 voted the straight
Democratic ticket, and being now a Democrat, it was
but natural that myself, in common with every other
Democrat, did hope and believe that our champion
(Col. Mills) in his reply to the communication from the
Millam County Farmers Alliance, could confine his
answer to the merits of the sub-treasury bill now
under consideration by the Ways and Means Commit-
tee of the 51st Congress, and the said reply would set
forth reasons conclusive and arguments unanswerable,
because Hon. R. Q. Mills is a member of the Ways
and Means Committee, and had he discharged his
duty as such, would necessarily have heard all the
arguments pro and con, and also being recognized as
an able statesman, every one had a right to expect
that he would discuss the bill dispassionately, fairly
and in a statesmanlike manner.

His reply has rudely dispelled that hope, for from
start to finish it is full of wild misstatements and as
wild conclusions. Not one provision of the bill has
been fairly stated, and to cover up these radical con-
tortions of the sub-treasury, he ingeniously flirts the
bloody shirt in a way to make even Ingalls smile.
Col. Mills either does not understand the bill or wil-
fully contorts and misrepresents it.

His reply is so long a ramble and contradicts itself
so badly that in this reply I shall only notice those
points raised that have any color of truth in them.
I am sure that the brave deeds of Colonel Mills in
the past will arouse the admiration and gratitude of
the people, but they will not answer for argument
upon so important a measure. His first objection,
the cost of warehouses, is not founded on facts. It
will not do to base the estimate of warehouses on the
cost of granite court-houses, for it is well known to
every one who has investigated the matter that sub-
stantial cotton warehouses 400 by 600 feet can be
erected for less than \$20,000. One of these ware-
houses would hold more cotton than the present State
house of the State of New York, which cost about
\$77,000 in interest, \$25,000,000 in the econ-
omy of handling their produce, \$20,000,000 in insur-
ance, \$88,000,000 in the price of their grain, \$18,-
000,000 in the price of their cotton, and at least
\$1,000,000 in the price of their tobacco. All these
savings added together make the snug sum of \$221,-
000,000 that the American farmers will save annually

by the adoption of the sub-treasury bill, which, with the entire system of elevators and warehouses provided for, will not cost \$20,000,000, and in addition will place mills in the grain districts and cause the erection of cotton manufactures all over the South.

If this will send the farmers into bankruptcy, give us bankruptcy, and give it to us quick; our children can then go to school and we can soon get out of debt by paying it in cash, for our inability to perform those feats under present spoliation system is nearly bothering us to death.

I trust that Colonel Mills and others of his way of thinking will not fail to observe that all these savings are left in the pockets of those who produce them. We, as Democrats, can not fail to remember also that to this very end democratic government was instituted among men. With these savings in the pockets of the farmers, it won't be long till the farmers of America will own the farms of America. When this condition exists, our Republic will be perpetuated.

While under existing tendencies, which are unavoidable under existing conditions, within twenty years from to-day three-fourths of the farmers of America will be tenants. When this condition exists, democratic government can not live. Homes breed patriots. Boarding houses breed tramps. Democratic government draws its life-blood from patriotism. Tramps are the worst enemies a republic can have, because the tramp of to-day will be the anarchist of to-morrow. Colonel Mills places the amount of money in circulation at \$1,400,000,000, while no accredited authority places it at over \$700,000,000.

Then he says the advancing of \$700,000,000 on \$600,000,000 worth of the produce enumerated in the bill will at once suspend specie payments and drive the gold and silver from the country (what a contrast to the many speeches he has but recently delivered in the ninth congressional district). In my humble opinion the Colonel's fears are unnecessarily aroused; the facts are the bankers now will gladly advance over \$800,000,000 on the same amount and kind of produce, they do actually advance more, and we see no danger from these liberal advances, which is \$100,000,000 more than we now ask under the sub-treasury bill. Surely specie will not run away because the security is good; such thing never has yet happened.

The Colonel is terribly frightened about the great inflation of the circulating medium that will follow the adoption of the sub-treasury bill. The cotton crop of 1889 amounted, all told, in round numbers, to \$312,000,000. Suppose this entire crop was put through the warehouse system, and stored during the months of September, October, November, and December, how would the account stand on the first day of January following?

Under this system \$26,000,000 would be sold to consumers monthly, making one hundred and four millions consumed; this would leave two hundred and eight millions worth on deposit; then suppose the full limit had been advanced on every bale, the amount outstanding on the first of January would be one hundred and sixty-six million dollars. We will now estimate the grain to be stored at three hundred and

sixty million dollars; for it must be remembered that two-thirds of the grain crop must be retained on the farm for consumption. Now suppose this grain is all stored during the months of August, September, October and November, how would the account stand on the first day of January following? Under this system thirty million dollars will be delivered monthly to consumers, this would amount to one hundred and fifty million dollars. Deduct this from the three hundred and sixty million dollars would leave two hundred and ten million dollars worth on hand, and if the limit was advanced upon it the amount would be one hundred and sixty-eight million dollars. Add the two together and we see that there would be outstanding on the first day of January three hundred and thirty-four million dollars; this is the sum total of the inflation. This would be rapidly returned by sale of the produce.

Now, during 1889 there was exported from the United States over five hundred and thirty-two million dollars worth of farm products, every dollar of which had to be paid for in money, because our tariff laws prevented us from taking the produce of those purchasers in exchange for ours. These foreigners were compelled therefore to hunt customers for their produce elsewhere, and if they could have secured elsewhere the farm products they did buy from us it is but reasonable to say they would have done so, therefore we are forced to conclude that they made those purchases from us under compulsion. It naturally follows we are masters of the situation and that they were compelled to pay us in the kind of money that we were willing to take, hence Col. Mills' much ado about inflation, or the gold and silver leaving the country, falls to the ground. Does any one deny that we need this extra amount of money in circulation more than we now have? Col. Mills does not unless he repudiates all the great speeches he has heretofore delivered in the Ninth Congressional district that made him so popular with his constituents.

Col. Mills says that if we adopt the sub-treasury system we will be compelled to add bacon, pork, beef, butter, cheese, lard, hay, iron, steel, woolen and cotton goods to the list.

After the system has been perfected the good sense of the people guided by experience will dictate to them what articles to add and what to reject, for all democrats believe that the people are and will remain fully competent to manage their own affairs, and they will surmount every obstacle that hinders their progress of liberty. This is only disputed by aristocrats.

Again Col. Mills says the sub-treasury system will lock up and keep out of the markets the products necessary to feed and clothe the human family and of course will bring with it distress and suffering among all the poorer classes of the people.

If Col. Mills had remained with his committee while the friends of this bill were explaining its workings he would have been far from making any such assertion. He would have learned that these products will not be withheld from consumption one hour under the proposed system, but that it will facilitate that delivery to them as fast as needed and at even lower prices than they now pay for them. The Colonel would have found out that it is intended through the medium of this system to carry on the business without the intervention of such worthies as

"Old Hutch" and kindred gentlemen who manipulate all other produce with the same results as "Old Hutch" does wheat.

The process through which these worthies gather unto themselves \$221,000,000 annually of other people's earnings is now known by all intelligent people. They first skin the producer out of his produce, hoard it up, and then skin the consumer till two-thirds of the producers and consumers go half fed and half clothed, because they can't pay the "Old Hutch" their price, then to hide their robbery they shriek over-production in the fall and laziness in the spring as the cause of all the poverty they create by spoliation.

The farmers of America are in possession of too much common sense to attempt to put up the price of their produce to consumers, because they know that it would stimulate the production of those very articles in other countries and thereby destroy their own prosperity. It's the shysters, the curse of all nations in all ages, that the Farmers' Alliance is after, none others, and I am surprised that Col. Mills has not caught on to this fact, since he represents almost entirely an agricultural people, and if he has paid any attention to their condition he knows these same shysters have been these many years skinning them unmercifully.

Col. Mills says "why Southern farmers should go into it I cannot comprehend." Being an old friend of the Colonel, I therefore with pleasure proceed to give the Colonel the "why" as well as any others who are on the anxious seat.

The farmers of the South struggled as no others ever did to build up themselves and the country; they economized in every way possible even to the verge of stinginess; in spite of all they became poorer and poorer every day, till the pinch of poverty waked them up. They began at once to take in the situation. They found their expenses and products were increasing while their income was decreasing. They knew, therefore, that there was something radically wrong. One investigation led to another till they reached Washington city. Here they discovered that organized pirates had thundered at the doors of Congress and the White House till they had driven the Government of the United States into the most stupendous legalized robbery that ever disgraced any nation or oppressed any free people since the dawn of history. These farmers then figured out to a mathematical certainty that they were furnishing 85 per cent. of the fat that these same pirates were absorbing. They also found out that organized bodies were dictating the laws to put money into their own pockets. These facts convinced them that if they desired to perpetuate free government they must organize. The St. Louis meeting was the outcome.

Three-fourths of the delegates to that meeting were ex-Federal and ex-Confederate soldiers who furnished no substitutes during the war.

After talking over the situation they found that nine-tenths of the farmers and nineteen-twentieths of the wage-earners throughout the United States were on the down-grade to beggary. All was found to be in the same boat, so they agreed that the Republic must be preserved at all hazards, and the first step looking to that end must be the burial of the bloody shirt, which has heretofore been the potent weapon of those who were invisible during the war, but in-

vincible in securing office since. So then and there the bloody shirt was buried forever, and over its deep grave those veterans grasped each other's hands with a strong fraternal grip and straightway organized the Farmers' Alliance and Industrial Union, an organization that knows no North, no South, no East, no West, but knows that Union of States composing these United States are and shall forever remain one Union, and inseparable, and that they shall remain the heritage of a free people.

The Knights of Labor had caught on, and being likewise in the soup ask permission not to consolidate with us, but that they might be allowed to assist us in preparing a plan through which we may be able to perpetuate our great Republic. We agreed, so all hands (nearly every one old soldiers) set to work on that plan. The sub-treasury system was the outcome, which is the only plan proposed by any one since the war looking to a return to pure democratic government. This is "why" under the provisions of this sub-treasury bill every citizen in any part of the United States in any laudable avocation will receive as many and as rich benefits as the farmers, for every intelligent person knows that prosperity or beggary must and will be filtered through productive labor to all our people, consequently the sub-treasury bill can not be contorted to mean class legislation, or the inauguration of paternal government, but, on the contrary, it will simply inaugurate democratic government. Col. Mills says "the tariff is the cause of all the woes of which the farmer complains."

As for myself I believe any tariff collected over and above the actual expenses on an economically administered government is "robbery," and have and will do all in my power to put ours in that shape, yet I cannot wholly agree with Col. Mills in this matter and will prove it by his own statements.

In 1881 we exported seven hundred and thirty million dollars worth of farm products, while in 1889 we exported only five hundred and thirty-two million dollars worth. Wheat in 1881 was worth one dollar and nineteen cents per bushel, while in 1889 it was worth 79 cents. Hence in 1881 it took about six hundred and thirteen million bushels to bring the seven hundred and thirty million dollars, while it took six hundred and seventy million bushels in 1889 to bring five hundred and thirty-two million dollars. Thus we see we exported fifty-seven million bushels more wheat in 1889 than we did in 1881, and that it brought one hundred and ninety-eight million dollars less money. The cause of this great falling off in exports was in the price of the product. The interesting question just here is what caused the decline in price? Speculators and their allies say it is overproduction. Let us see if this is so. In 1881 we produced 9½ bushels of wheat per capita; in 1889 we produced 7½ bushels per capita. This completely upsets the over-production theory.

Now in 1881 we had ten dollars and twenty-three cents per capita in circulation, while in 1889 we had six dollars and ten cents per capita in circulation. Here, and here only, can the keen observer find the prime cause of this great depression in prices. I used wheat only in this calculation so as to simplify, because all other farm products can safely be reckoned at relative prices. All economists agree that the price of all farm produce is governed by the relative amount of money in circulation. The above state-

ment fully confirms it. Hence the decrease in the circulation had more to do in depressing prices than the tariff did, yet I do not deny that our tariff had something to do with it, yet I do deny it is now the prime cause as a clincher on this point. I state that at this time agriculture is depressed in all thickly populated agricultural countries. In all those that have a high tariff or a low tariff, in monarchies, empires, or republics; in those having a gold standard, a silver standard, or a double standard.

This completely upsets Colonel Mills proposition. Now the question of questions is, what is the cause of this universal depression of agriculture in the densely populated agricultural districts? The answer is that in all countries the circulating medium is mainly bottomed on metallic money, the production of which for a long series of years has been nearly uniform; hence the volume of money in circulation is practically inflexible. This feature is disastrous to agriculture, because the farmer secures the product of a whole year's productive effort practically at one time, and consequently demands money for all his surplus at one time to meet matured obligations. This creates a demand for money greatly in excess of the supply, hence the demand for money being more pressing than the demand for products, the price of the product that must be sold submits to the dictation of the money holder. This compels the farmer to turn loose at less than cost of production, and this is called fluctuation, which is the creature of the speculator and the destroyer of the prosperity of the farm.

Now, the one thing of all others to be attained is the stability of prices, because when this is the case speculation is impossible.

All true economists know that a fluctuating demand for money, met by a volume that fluctuates exactly to correspond with the fluctuation in demand, will be attended with stability of prices. These admirable features can be found only in the sub-treasury system.

This article so far is also a full and complete answer to Hon. J. H. Reagan, Carlisle, and Culberson. They all substantially file the same objections; the only difference being that Reagan says it is unconstitutional, but when asked to draw a distinction between the sub-treasury bill and the national bank and whisky distillers' acts that the United States Supreme Court had declared constitutional, he failed to respond.

Colonel Mills in the wind up states that he is a Jeffersonian democrat. Hope he has not forgotten what Jefferson, Calhoun, and Jackson thought of funding the public debt; and I wonder what those patriots would have thought of Colonel Mills' democracy had they been in Congress when he introduced in the Fiftieth Congress H. R. bill No. 5034, which reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Secretary of the Treasury is hereby authorized to apply the surplus money now in the Treasury, and not otherwise appropriated, or so much thereof as he may consider proper, to the purchase or redemption of United States bonds."

I am fully persuaded that they would have repudiated such a measure as wholly undemocratic, because a substitute for this bill introduced and passed by and with the consent and advice of Mr. Mills has put \$182,000,000 into the pockets of the bondholders, and

took every dollar out of the pockets of the people—85 per cent of which came out of the farmers' pockets. Of course Col. Mills' constituents are loaded with bonds, but unfortunately, not of the kind mentioned in this bill. Their bonds force them to drive their wives and children to the cotton patch, there to toil and shelter under a tropical sun, clothed in rags, that the bondholders Col. Mills provides for may live in fine castles and wear linen and purple. This is the way he pays for the honors they have conferred upon him. Of course the farmers and laboring people of the Ninth District and their friends are expected to rally to his support when he flirts the bloody shirt. It is his strongest card. If they are men worthy of freedom they will hurl this arrogant demagogue from power and repudiate the daddy of the bond purchasing fraud.

A NOTABLA SERMON.

The Associated Press has given to the country the following synopsis of a baccalaureate sermon delivered by Prof. C. S. Walker, before the graduating class of the Massachusetts Agricultural College, June 15.

Heretofore in all parts of the world the farmers have been no match for his adversary. He has never held his own against the soldier or the priest; against the politician or the statesman. In ancient times he was the slave; in the middle ages the serf. In the nineteenth century he is the slave, the serf, the peasant, or the proprietor, according to location. American farmers as a class are face to face with a crisis. They have subdued a continent and furnished the raw material for our factories, bread for operatives, and manhood for our civilization. They have sustained the nation's credit with their hard-earned dollars, rescued endangered liberty with their conscientious ballots, and defended time and again the Stars and Stripes with their loyal blood. Vigorous in body, strong in character, striking in individuality, lovers of home, massive in common sense, fertile in resources, devout believers in Providence, the farmers of America will never allow themselves to be overwhelmed by the fate that sunk the tillers of the soil in India, in Egypt, in Europe. From all parts of this land farmers are coming together. Organization and corporation are the wonderful ideas that have awakened them as never before. They are grasping hands with a grip that means something, comparing ways and means, uniting upon ends to be gained. They demand for themselves and their children an education equal to the best. They insist upon a fair share of the profits of American industry, claiming that no State can long exist in which the tillers of the soil bear most of the burdens and share little of the blessings of advancing civilization. But they are in danger of making mistakes in the struggle that shall turn back the progress of the movement. They demand leaders. To supply this demand is the imperative duty of the educated farmer. Whatsoever of bodily vigor, mental power, and moral heroism the educated farmer may have acquired from ancestors, college, or university, he will need, that he may consecrate it to the great work of strengthening his brethren, the farmers of America, so that they shall ever remain an immovable foundation of this the only Republic whose empire has not been rapidly undermined.

Gradually, but surely, the people of this great nation are awakening to their perilous condition. The above contains a note of warning that should not pass unheeded. Men may scoff at the idea of danger threatening our free institutions, or laugh at the concern of others regarding the condition of the country, yet it is evident that the people are in distress, and must obtain relief soon from some quarter. Under such circumstances wise counselors are needed, and honest leaders must be found, but above and beyond all else the education of the people must be vigorously carried forward.

CLASS LEGISLATION.

Many times the subject of the sub-treasury bill has been dismissed with the assertion that it is a demand for class legislation. This term is used in the sense that it grants privileges to one portion of the people that it denies to another, or, in the more general sense, that it is unwise, and, therefore, bad legislation. This term has been used so often and to such an extent that an examination into its true meaning might be both profitable and instructive. The American government is founded upon the rule of the majority; that the laws of the country should aim at the greatest good to the greatest number. Does not this fact alone preclude the idea of anything but class legislation to the great bulk of legislative enactments? No matter how perfect the law, or how far reaching its provisions, if so much as one individual citizen is excluded from its application or barred from its benefits, it is class legislation pure and simple. The recognized right of the majority proves that class legislation was provided for in the Constitution. There are many laws that may not be considered in this light, such as those touching the preservation of life, or some of the rights of property, the control of moral conduct, the general rules of distribution, etc.; but when the next round of the economic ladder is reached, all below is of this character. Judged by the same standard that the sub-treasury bill is declared class legislation, there is hardly a law on the statute books that would not come under that head. Some of the acts of Congress considered most beneficial, like the homestead act, the pension law, the Chinese exclusion law, and the alien contract labor law, would certainly be brought into this class. National and State franchises to railroads, telegraphs, telephones, or steamship companies are clearly class legislation, as are the privileges of the ballot, the patent and copyright laws, and the trade mark, protection. The appropriation that builds light-houses on the sea coast fails to help the farmer in Kansas to raise corn, and the money taken to develop irrigation in Dakota in no way lifts the burden that surrounds the cotton planter of Georgia. Nearly the whole range of national and State legislation might be gone through with similar results.

In fact the great majority of the laws governing this country consist of compromised class legislation. It is in this multitude of class laws that an approach to a general equilibrium is found. Such legislation is the compensating balance that in the ultimate seeks to bring about a common average that grants privileges and enforces restraints that in the end produce the greatest amount of good to the greatest number. The true significance of the term is found where a special privilege is granted to a few and withheld from the many. The national banking law, which gives that privilege to about three thousand bankers and denies

it to sixty-five million other citizens, is an example of that character. This can not be applied to the sub-treasury bill, which in its fullest sense includes the greater part of labor in production, and excludes the lesser number of non-producers. In other words, class legislation will never apply under the present form of government to a majority as against a minority, but always will obtain in a minority as compared with a majority.

There is not a member of Congress who has declared the sub-treasury bill to be class legislation whose record does not condemn him of greater sins in that direction. Senator Reagan is a notable example. While declaring this plan class legislation, which by its operation would benefit 8,000,000 people engaged in agriculture, yet he is anxious to tax the people to build a first class navy and complete coast defense. Senator Carlisle has also denounced the bill as the rankest class legislation, while at the same time he has been for years recognized as the champion of the whisky distillers in all matters of legislation. Mr. Mills came out against the bill in a labored letter, and sought not only to demolish it as being class legislation, but the whole Alliance for supporting it. Less than three years ago he introduced and put through the House the following bill:

That the Secretary of the Treasury is hereby authorized to apply the surplus money now in the Treasury, and such surplus money as may hereafter be in the Treasury, and not otherwise appropriated, or so much thereof as may be considered proper, to the purchase or redemption of United States bonds.

The following substitute for this bill, offered by and with the consent of Mr. Mills, was passed, and has taken from the people and given to the bond owners over \$42,000,000 as premiums on their bonds:

That it is the sense of this House that section 2 of the act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1882, and for other purposes, approved March 3, 1881, which is as follows: "That the Secretary of the Treasury may at any time apply the surplus money in the Treasury not otherwise appropriated or so much thereof as he may consider proper to the purchase or redemption of United States bonds: *Provided*, That the bonds so purchased or redeemed and canceled," was intended to be a permanent provision of law, and the same is hereby declared to have been since its enactment and to be now, in the opinion of the House, in full force and effect.

Mr. Oates has condemned the sub-treasury plan in the strongest terms, yet in the Fiftieth Congress he introduced the following bill:

A bill to refund the bonded debt of the United States at two and one-half per centum interest, to reduce taxation upon circulating bank-note currency, and to secure such currency against unnecessary disturbance and fluctuation by applying the national revenues economically to payment of the national debt.

SECTION 1. That the Secretary of the Treasury is hereby authorized to receive at the Treasury any bonds of the United States bearing interest at the rate of four per centum per annum, and to issue in exchange therefor an equal amount of registered bonds of the United States of the denominations of fifty, one hundred, five hundred, one thousand, five thousand, ten thousand, and fifty thousand dollars, of such form as he may prescribe, and bearing interest

at the rate of two and one-half per centum per annum, payable semi-annually at the Treasury of the United States. Said two and one-half per centum bonds to be issued in exchange for four per centum bonds shall be payable at the pleasure of the United States after the first day of July, nineteen hundred and seven.

SEC. 2. In the said exchange of two and one-half per centum bonds for four per centum bonds, provided always, the moneys on hand and applicable are sufficient, the Secretary of the Treasury is hereby authorized to pay such a sum as shall be equal to the aggregate present worth of the quarter yearly payments of interest from which the United States is released by such exchange, all interest ascertaining said present worth being computed at the rate of three per centum per annum, reinvested quarterly yearly.

SEC. 3. That all said two and one-half per centum bonds and the interest thereon shall be exempt from the payment of all taxes and duties of the United States and from taxation in any form by or under State, municipal, or local authority.

SEC. 4. That on and after date of the approval of this act the duty upon the circulating notes of national banking associations shall be one-quarter of one per centum each half year, the same to be ascertained and paid as now provided by law.

SEC. 5. That when not otherwise provided by law the Secretary of the Treasury is hereby authorized to apply any moneys at his disposal for payment of the bonded debt of the United States, either to the payment of the bonds redeemable at the pleasure of the United States or to the purchase of bonds not due as will in his judgment cause the greatest saving of interest; and in determining this the duty or tax received upon circulating notes of national banking associations shall be considered a deduction from the interest paid upon bonds held by the United States Treasury to secure said notes.

SEC. 6. That nothing in this act shall be construed to authorize any increase of the bonded debt of the United States, and all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

SEC. 7. That the Secretary of the Treasury is hereby directed to pay, out of any moneys in the Treasury not otherwise appropriated, the expense of printing and exchanging said bonds.

SEC. 8. This act shall take effect immediately.

If this is not a fair sample of class legislation it would be difficult to find one.

Messrs. Culberson and Stewart have given their opinions, which condemn the sub-treasury bill as class legislation, yet they were members of the judiciary committee which refused an investigation into the alleged bond forgery and voted to force the people to purchase these same bonds at a high premium.

The records given above show how men differ in opinion at different times. It proves clearly the ease with which the judgment of the average politician can be warped. It is not the result a certain line of legislation will have upon the people, but the effect it will have upon the party, that these politicians are troubled about. In the South the sub-treasury plan is class legislation because it disturbs present conditions and may help the Republican party. In the North it is class legislation for fear it may aid the Democratic party. Because of this intensified by the party caucus and party lash, the sub-treasury bill will probably not pass at this session. It will, however, be discussed in the coming campaign, and will meet the next Congress with the full assurance of a fair and honorable hearing.

PRESIDENT BARBER writes that the number of sub-alliances in Virginia has now reached 1,000, and the work goes bravely on.

THE SENATE SILVER BILL.

The following is the full text of the silver bill as it passed the Senate:

SECTION 1. That from and after date of the passage of this act the unit of value in the United States shall be the dollar, and the same may be coined of $4\frac{1}{2}$ grains of silver, or of 25 8-10 grains of standard gold; and the said coins shall be equally legal tender for all debts, public or private; that hereafter any owner of silver or gold bullion may deposit the same at any mint of the United States to be formed into standard dollars or bars for his benefit and without charge; but it shall be lawful to refuse any deposit of less value than \$100, or any bullion so base as to be unsuitable for the operations of the mint.

SEC. 2. That the provisions of section 3 of an act to authorize the coinage of the standard silver dollar and to restore its legal tender character, which became a law February 28, 1878, is hereby made applicable to the coinage in this act provided for.

SEC. 3. That the certificates provided for in the second section of this act, and all silver and gold certificates already issued, shall be of denominations of not less than one or more than one hundred dollars; and such silver certificates shall be redeemable in coin of standard value. A sufficient sum to carry out the provisions of this act is hereby appropriated out of any money in the Treasury not otherwise appropriated. The provision in section 1 of the act of February 28, 1878, entitled "An act to authorize the coinage of the standard silver dollar and to restore its legal tender character," which requires the Secretary of the Treasury to purchase, at the market price thereof, not less than two million dollars' worth of silver bullion per month nor more than four million dollars' worth per month of such bullion, is hereby repealed.

SEC. 4. That the certificates provided for in this act, and all silver and gold certificates already issued, shall be receivable for all taxes and dues to the United States of every description, and shall be a legal tender for the payment of all debts, public and private.

SEC. 5. The owners of bullion deposited for coinage shall have the opportunity to receive coin or its equivalent in the certificates provided for in this act, and such bullion shall be subsequently coined.

SEC. 6. That upon the passage of this act the balances standing with the Treasurer of the United States to the respective credits of national banks for deposits made to redeem the circulating notes of such banks, and all deposits thereafter received for like purpose, shall be covered into the Treasury as a miscellaneous receipt, and the Treasurer of the United States shall redeem from the general cash in the Treasury the circulation notes of said banks which may come into his possession subject to redemption; and upon the certificate of the Comptroller of the Currency that such notes had been received by him and that they had been destroyed, and that no new notes will be issued in their place, reimbursement of their amount shall be made to the Treasurer, under such regulations as the Secretary of the Treasury may prescribe, from an appropriation hereby created, to be known as "National bank notes, redemption account;" but the provisions of this act shall not apply to the deposits received under section 3 of the act of June 20, 1874, requiring every national bank to keep

in lawful money with the Treasurer of the United States a sum equal to 5 per centum of its circulation, to be held and used for the redemption of its circulating notes, and the balance remaining of the deposits so covered shall, at the close of each month, be reported on the monthly public debt of the United States bearing no interest.

The title of the bill was amended, so as to read, "An act to provide for the free coinage of gold and silver bullion, and for other purposes." The section 3 of the act of February 28, 1878, referred to in section 2, authorizes the Secretary of the Treasury to issue silver certificates upon the deposit of coined silver dollars. The passage of this bill has so widened and deepened the gulf between the east and west that it can never be filled or bridged over. It is an open declaration that spoilation of the south and west, through the manipulation of the nation's finances by the east, must stop, and that at once.

Ignorance or Duplicity—Which?

BY CHARLES JENKINS, OF SUADES, OHIO.

I do not desire to become a participant in the controversy between Mr. Dunning and the Secretary of the Treasury, but it seems to me that when grave facts are being tampered with to serve the purposes of deceiving "the great common people," and deceive them that they may be the more securely and completely betrayed, and forced to deliver a large part of their hard earnings to monopoly without equivalent under the form and by the force of law and executive ignorance or duplicity, the time has come when every one having a fact to present or figures to show the masses that they are being misled, should throw it in the scale that all should have an opportunity to judge of the merits of the facts and figures of the past as well as the present.

Mr. Dunning when making his estimate of currency per capita in 1866 was misleadingly liberal when he placed it at \$52.01. But the point I wish to reach is the denial of the Secretary that there was the amount of money that Mr. Dunning reports, absolutely and positively denying that a large part of the money went into general circulation, and here is an exhibition of criminal ignorance or intent to deceive. In the early stages of the discussion of the money question some twelve years since the same denial was indulged in by the bank attorneys to cover up the fact that there had been any contraction of the money of the country; but they did not make the sweeping denial that the Secretary does, but stopped at the 7-30 three-year notes of which there were, as reported, \$806,900,750 out, and said that they never circulated as money—were not intended or used as a part of the volume of the currency at any time during or after the war. In my small transactions while farming I had received them in payment on obligations and settled obligations that stood against my credit frequently with them, and they were legal tender the same as the legal tender United States that we had used earlier in the war, so I secured what testimony was conveniently accessible from the various points that were authoritative and used to use them in my public utterances, and have never had them questioned in the twelve years that has elapsed since; and that the public, aroused on this question at

the Great West (St. Paul, Minn.) says:

A number of our country papers hasten to take the opportunity to publish Carlisle's "slush" about the sub-treasury bill. It is enough to make a man sick to think that any one of national character like Carlisle could perpetrate such abominable ignorance upon his fellowmen—or upon himself. When we first read it we never dreamed that intelligent men, newspaper editors, would repeat the stuff. But they do—with great delight, because it is not in line with the Alliance movement. There is no other reason under heaven for it.

I will quote from Treasurer Spinner, who in a letter dated at Mohawk, August 17, 1876, which says: "The 7-30 Treasury notes were intended, prepared, issued, and used as currency."

President Grant, in a message, December, 1873, said: "During the last four years (from '79 to '83) the currency has been contracted by the withdrawal of the 7-30 bonds outstanding March 4, 1869, all of which took the place of legal tenders."

Hon. William P. Fessenden, Secretary of the Treasury in 1864, in an official communication, says: "This statement also shows the currency items operating to inflate prices as follows"—here follows a list of the disputed items, including the 7-30 bonds.

Charles E. Hunter, office of Trafzhausen, Hunter & Co., bankers, New York, in a letter to John G. Drew, of New Jersey, says: "Referring to yours of the 8th, asking if, in my experience, the so-called 7-30 Treasury notes did or did not circulate as money? I have to say that they did so circulate, and were used and paid out with the same freedom as the greenbacks were."

Amos Clark, First National Bank, Elizabeth, New Jersey, said: "In compliance with your request that I should define the relative position of the 7-30 notes to the general balance of the currency in 1865, I have to say that I was then daily in the habit of receiving them and paying out the same in my business the same as greenbacks."

This is certainly evidence sufficient to establish this fact with those that are not conversant with the fact in their own experience, but I will quote from Professor Fawcett's hand-book of finance, called "Gold and Debt," where he gives a table of the volume of paper money for twenty-three years from 1854 to 1876, in which he shows that there was, in 1866, \$1,803,702,726, and included in this sum total is the item of \$806,900,750 of 7-30 notes, with a number of other items that swelled the volume largely, all of which the present Secretary denies was a part of the currency at that date.

Now, Professor Fawcett was not one of the green-back lunatics by any means. He pointed out in his work of some four hundred pages the results that would befall the people if they did not re-establish the minting of silver, but was what is known as a "hard-money" advocate, and if there had been any doubts in relation to the volume of money he would not have quoted these disputed items as a part of the circulating medium at that time. The people are in no mood to be trifled with in these matters, and it is too late to place before them statements that will not bear the closest scrutiny, much less should this be done by the officials over their signatures and substantiated by their official oath.

THE NATIONAL ECONOMIST.

231

THE NATIONAL ECONOMIST.
OFFICIAL ORGAN OF THE
NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.
PUBLISHED WEEKLY AT WASHINGTON, D. C.
BY THE NATIONAL ECONOMIST PUBLISHING COMPANY.

Incorporated under the laws of the District of Columbia.

SUBSCRIPTION PRICE, - - - ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are twenty-five cents per agate line. Discounts for time and space furnished on application, stating character of advertisement required.

The publishers of this paper have given a bond in the sum of \$50,000 to the President of the Farmers and Laborers Union of America that they will faithfully carry out all subscriptions and other contracts.

The following is the resolution unanimously adopted at the national meeting in St. Louis:

Whereas THE NATIONAL ECONOMIST, our adopted official national organ, has so boldly and fearlessly advocated our cause and defended our principles; therefore,

Be it resolved by this National body, that we heartily approve of the course it has pursued and recommend that every member of the order should subscribe and read the paper as one of the best means of education in the way of industrial freedom.

Address all remittances or communications to—

THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

ENTERED AT THE POST-OFFICE AT WASHINGTON, D. C., AS SECOND-CLASS MAIL MATTER.

J. H. TURNER, Secretary, 511 Ninth street N. W., has made arrangements by which he can send Alliance seals, prepaid, to every address for \$2.25.

We desire to obtain a few copies each of Nos. 22, 23, and 24 of Volume II of THE ECONOMIST. If any of our readers have these copies in good condition and, willing to spare them, will send them to us, we will advance their time on subscription one, two, or three weeks, as the case might be; or for the three numbers we will send one Almanac; or for one or all the numbers we will send the worth in Tracy's speeches, as may be preferred.

THE political situation in the State of Georgia is very interesting. The farmers are represented in the race for governor by the Hon. W. J. Northern, who is a member of the Farmers Alliance and who is also President of the State Agricultural Society. He has been for years thoroughly identified with measures calculated to promote the interests of agriculture. He is a thoroughly competent, high-toned and honorable gentleman who has the respect and confidence of every one, including all classes. All admit that he is one of the very best men to be found in the State for that position. While there are some unmistakable evidences of the fact that the fiat has gone forth in corrupt and ring-political circles that combinations must be worked in every State possible to defeat the nomination or election of persons at all friendly to farmers' interests as was done in Alabama, it is more than likely that this influence, when it finds itself pitted against the farmers of Georgia, will be overmatched entirely and routed. It will not do to underestimate the power or force of an enemy, and it is to be hoped that the farmers of Georgia will stand as a solid phalanx in support of this worthy standard bearer.

THE recent vote in the Senate on the silver bill was equal to a vote of want of confidence in the Administration, as it is well known that the Windom bill was purely an Administration measure. Had this occurred in France or England, it would have driven the whole Cabinet into private life. This is not the case, however, in the United States. Here the Administration can fight the interests of the people during its entire term, and then ask for a new lease of power because of its success in that direction.

THE conspiracy of 1873, by which silver was demonetized, is being slowly but surely made public. With every discussion of the subject since that time

worthy of emulation by the other States. THE ECONOMIST will watch the conflict in Georgia with deep interest and will, from time to time, make such comments as the interests of the cause seem to dictate.

STILL they come. North Dakota has applied for a State charter, South Dakota has ratified the action of its executive committee at St. Louis last December, and Wisconsin has voted to consolidate with the National Farmers Alliance and Industrial Union. Who next?

BROTHERS ALONZO WARDALL, of Huron, South Dakota, and J. F. Tillman, Nashville, Tenn., members of the national executive committee, are here to attend an important meeting of that body. Both report the order as doing well in their sections.

THE Farmers Alliance has accomplished enough in the last year to immortalize it in the history of the country. Its influence since it has an official organ and legislative committee at the national capital is plainly visible. The farmers have a channel through which they can make themselves heard. Some contend they are asking too much when they demand the sub-treasury bill. It should be remembered that every sort of compromise is offered by the opposition before an important measure like this is conceded. Several years ago the free coinage of silver was demanded by the farmers, but their demand received no attention until they struck at the very root of the evil and demanded the sub-treasury bill, then free coinage was granted in the fond hope that it would satisfy them. It is a victory for the Farmers Alliance, but it is only the skirmish line, and they will steadily, but surely, advance upon the breastworks of the privileged class and never give up the siege until the basis upon which "trusts," "corners," and the ability of the speculative class to use the "power of money to oppress" shall have been destroyed by neutralizing the discrimination now existing against agricultural pursuits as a result of manipulating the volume of money by a privileged class.

THE recent vote in the Senate on the silver bill was equal to a vote of want of confidence in the Administration, as it is well known that the Windom bill was purely an Administration measure. Had this occurred in France or England, it would have driven the whole Cabinet into private life. This is not the case, however, in the United States. Here the Administration can fight the interests of the people during its entire term, and then ask for a new lease of power because of its success in that direction.

THE conspiracy of 1873, by which silver was demonetized, is being slowly but surely made public. With every discussion of the subject since that time

the people have gained additional information. It has remained, however, for the present Congress to make direct charges and listen to a personal defense. No person can read Senator Stewart's speech and afterward doubt that a great crime was committed, and that, too, by the trusted officials of the nation. Senator Daniels in his last speech brought forward additional evidence of the fact, which has spread consternation in the ranks of the conspirators. It is quite likely, before this silver question is settled, the whole wicked plot will be laid bare to the world. Then will be seen the true cause of the people's distress, and perhaps even yet there are men in Congress ready and willing to step to the front and champion the cause of justice and right.

BROTHER WARDALL, president of the Alliance Aid Association, reports that the association is growing in numbers and favor rapidly. He believes it will be the largest mutual insurance company in the world in the near future.

THE silver bill, as amended by the Senate, is a great victory for the Farmers Alliance, and shows that the influence of that order, exerted through its legislative committee and THE NATIONAL ECONOMIST, is being felt. Members of Congress have recently voted for practical free coinage that a few years ago would have voted against it.

WEST VIRGINIA State Alliance will be organized at Charleston, Kanawha County, August 13, by President Barbee of Virginia, assisted by National Secretary J. H. Turner.

GOLD FROM THE UNITED STATES.

The director of the mint to-day authorized the superintendent of the assay office at New York to pay out \$250,000 in gold bars for shipment to Europe and \$750,000 yesterday, making \$2,500,000 in gold bars shipped to Europe within the last few days.

The director has advised that the shipments will probably continue for France. This movement of gold is remarkable, he says, for the reason that exchange is far below the gold shipping point, and gold can be exported at the present rate of exchange only at a heavy loss.

The above is taken from the press dispatches and is simply a repetition of the same old game that is played every time the silver question is agitated. It will now be in order for some gold worshipper to solemnly announce that the near approach to free coinage of silver is already driving gold out of the country. The director is careful to state this gold is going to France. While the fact is, it is going to England to pay interest on alien investments here, and that hundreds of millions more will have to follow in the future.

Farmers Alliance, (Chattanooga, Tenn.); this should be copied in every Alliance paper:

Pay no attention to circulars and documents if any should reach you asking farmers to organize leagues under a parent organization in Massachusetts. The author of this scheme is the editor of an agricultural paper which has been trying to down the Alliance.

RAILWAYS, THEIR USES AND ABUSES.

Their Effect Upon Republican Institutions and Productive Industries.

BY JAMES F. HUDSON,

Author of "The Railways and the Republic."

No. 58.

THE UNIVERSAL CAUSE OF CORPORATE ABUSES.

This series of articles up to the present time has been directed to the demonstration of the following vital points:

First. The absence of competition as a regulating force in the fixing of railway rates, permits individual discriminations or preferential rates, by which the profits of great lines of industry are concentrated in the hands of the favorites of the railway managers, and the ability of the ordinary people to compete in such industries is denied and taken away. Where there is competition in fixing of railway rates, the enforcement of individual discriminations to an injurious degree is impossible.

Second. Uneven competition caused by the absence of that force upon certain parts of the railway business, and its consequent presence with increased force upon other department of that traffic, is responsible for discriminations between localities, or the transportation of the product of one district or the freight of one city at far lower rates than are given to another district or city in equal circumstances. This unevenness of competition, producing the phenomena of less charges for the longer haul than for the shorter, causes an unequal distribution of industry; forces the concentration of population in large cities; prevents the even development of the industries of the country in the localities most naturally suited for the various industries, and produces an immense waste of labor in the transportation of products from distant localities, which, without discrimination, might be more economically produced in the localities nearer to the markets of consumption and distribution.

Third. The attempt to entirely suppress competition by means of pools and trusts, is for the definite purpose of forcing from the mass of industry a larger return for the capital engaged in the pools and trusts than would be yielded under the competition to which the mass of industry in the country is subjected. It is therefore for the purpose of obtaining a special privilege to a favored class of capital that the effort now on foot for legalizing railway combinations is urged. But combinations are only possible where the force of competition is already sufficiently hampered to make the illegitimate gains of the combination appear possible. It is an attempt to oppress the public by seizing an undue share of the rewards of industry, and is only made possible by the partial and limited condition of competition already existing in the railway business.

Fourth. The phenomena of industrial pools and trusts is based upon exactly the same purpose as that of railway pooling. The idea is solely to obtain from the producers and consumers of the country a larger share of profits than would be yielded to the enterprises combined under the pools and trusts, if they were subject to the same force of competition that in-

dustry in general is. As is the case with the railroads the manufacturing and commercial combinations only appear where there is a real or apparent possibility, by reason of the comparatively small number of competitors, and they are only successful where there is some extraneous means of suppressing the growth of new competition.

Fifth. The recourse to cut-throat rivalry, or wars of rates, in which the price for services or commodities is reduced far below the primary cost, and which is alleged as a justification for pools and trusts to prevent such wars, is not competition at all. It is shown by the circumstances which invariably attend such ruinous rivalry, to be a part of the policy of combination to force insubordinate competitors into the combination. No such ruinous rivalry ever appears in the industries where combination is impossible. It always appears wherever a combination is imagined to hold out its rewards for the loss which is thus inflicted in order to secure its establishment.

The facts constitute a practical demonstration of the proper relation of competition to the corporate question of the day. The theorists who support the railroad policy, and the socialist school which is growing as a result of corporate abuses, talk largely of the injurious and destructive force of competition; but whole volumes of theories and arguments that competition grinds down the masses and permits the strong to gain the advantage, have not one tithe of the cogency which appears from this one fact, that wherever competition can be suspended or hampered, there the abuses which mark the corporate system of the present day flourish most luxuriously. All the elaboration of the theories by which society is to be reconstructed, either for the benefit of the great corporations which now seek to throttle and suspend competition for their own advantage or by the socialists who would suspend the same force and conduct enterprise by some system which would distribute the rewards of production without reference to competition, have not one-tenth of the force that is given to this one fact as indicating a remedy, namely, wherever competition is free and unchecked, there the abuses to which the great corporations oppress industry, and the phenomenon of discrimination against persons, discriminations against localities, combinations to extort undue profits, and cut-throat rivalry to force insubordinate competitors into such combinations, are alike absent because they are alike impossible. The entire cause of these abuses is made plain, and the sufficient remedy is also pointed out by the recognition of the fact that these abuses only appear where, either by the circumstances of the case or by the methods of organization, competition is hampered, bound up and rendered insecure, so as to afford the prizes that can be won by unscrupulous combinations, and by the simultaneous fact that wherever competition is made so broad and free as to make its suspension absolutely and manifestly impossible, there these abuses are invariably unknown.

In seeking the effective, natural and thorough remedy, therefore, the proper course to take is to find out how the regulative force of competition is obstructed and hampered and to discover how the bonds upon its natural and beneficial action can be removed and it can be given its full force and effect. The propositions to seek a remedy by still further hampering or abolishing competition would only aggravate

the evil by increasing its effective cause. Such propositions are generally presented by those who have been prominent in inflicting the present abuses and whose interests will be served by the permanent maintenance of the advantages created through the suspension of competition in favor of a privileged class. Their plea that these evils in the railroad system are produced by competition is shown in all its falsity by the fact that competition has never been free and unhampered in the railway business, and that all the abuses have grown out of its hampered or abolished condition. When an evil result follows from an exceptional condition, the proper remedy is to remove that condition and restore the natural forces. This is especially evident in the railway question. The fact that writers of sincerity and intelligence have been unable to perceive the obvious necessity of removing the exceptional bonds which hamper competition in railway traffic, is a remarkable example of the influence of the idea that whatever is established by the great controlling forces of the financial world, must therefore be exactly right.

With this point established the conclusion is as inevitable as the demonstration of a mathematical problem. From the moment we perceive that the abuses of the corporate system arise from the obstruction and suspension of competition, from that moment it is plain that the remedy lies in perceiving where and how the obstruction is effected, and in removing that obstruction so as to restore the natural operation of that great force. Two or three articles will be sufficient to indicate how the force of competition has been prevented from having its full and normal operation in the conduct of railway traffic, and in showing therefore how that force can be so restored that the charges of transportation will be placed upon the universal basis of equality, and fixed by the natural force of demand and supply as completely as the price of a bushel of wheat or of a pair of shoes. When we perceive this point it will appear how futile and superficial are all the other remedies which propose to leave the unnatural influences at work and to attempt their regulation by the interposition of statutory prohibition or by the supervision of a fallible and often interested body of officials. Every man can elaborate and follow out these points for himself when he once perceives the controlling and fundamental fact in connection with this entire question to which these articles have been directed, namely: All the corporate abuses which create privileged classes and build up great fortunes, arise from the suspended and hampered nature of competition. Where competition is free, they are entirely unknown.

An agricultural paper gives as a reason for the failure of farming as a vocation, that the farmer does not keep books. There is something in this. If the 8,000,000 farmers of the country would devote part of their time to posting a set of books each, perhaps there would be less of "overproduction" to allege as a cause. Bending all his energies to produce, he looses largely in the distribution. At present it takes 60 per cent of his crops to pay for the bookkeeping, transportation and handling till it gets to the hands of the producer. How much of that goes to pay bookkeepers is unknown, but 60 per cent is an awful leak.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 18.

After the passage of the Public Credit Strengthening Act came the question of refunding the bonds. There was no necessity for this as none of them were due—the option of payment had just begun to run in favor of the government. Not only this, but the act just passed forbade their payment except under certain conditions. 1. Greenbacks should be exchanged for coin at par. 2. Bonds should be sold at a lower rate of interest at par in coin. These conditions had not been met as yet, and coin was still at a premium; but the bond owners knew that the contract had been changed in their favor. That the whole bonded indebtedness which was payable in lawful money—which at that time, as well as the present, was gold, silver and greenbacks—had been made payable in coin alone, thereby taking from the people one-third of their means of payment, and of necessity, adding that much value to the bonds. Greenbacks was good enough money for business purposes, and to pay debts between individuals. It would pay the soldier and the mortgagee, but coin was the only currency good enough for the bond owner. The nation's debt to the bondholder was too sacred to be paid in the common money of the people. After considerable maneuvering, on the 12th of January, 1870, a bill "to authorize the refunding and consolidation of the national debt, to extend banking facilities, and to establish specific payments," was introduced in the Senate by Mr. Sumner, of Massachusetts, and was extensively debated for several months, during which time the financial system pursued during the war was fully reviewed.

Various amendments to the bill were adopted, and it finally passed both houses, and became a law, July 14, 1870 (16 Statutes, 272). The following is the text of that portion of the act relative to refunding:

Sec. 1. That the Secretary of the Treasury is hereby authorized to issue, in a sum or sums not exceeding in the aggregate two hundred million dollars, coupon or registered bonds of the United States, in such form as he may prescribe, and of denominations of fifty dollars, or some multiple of that sum, redeemable in coin of the present standard value, at the pleasure of the United States, after ten years from the date of their issue, and bearing interest, payable semi-annually, in such coin at the rate of five per cent per annum; also a sum or sums not exceeding in the aggregate three hundred million of like bonds, the same in all respects, but payable fifteen years from the date of their issue, and bearing interest at the rate of four and one-half per cent per annum; also a sum or sums not exceeding in the aggregate one thousand million dollars of like bonds, the same in all respects, but payable at the pleasure of the United States after thirty years from the date of their issue, and bearing interest at the rate of four per cent per annum; all of which said classes of bonds and the interest thereon shall be exempt from the payment of all taxes or duties of the United States, as well as taxation in any form by or under State, municipal, or local authority; and the said bonds shall have set forth and expressed upon their face the above specified conditions, and shall, with their coupons, be made payable at the treasury of the United States. But nothing in this act, or in any other law now in force, shall be construed to authorize any increase whatever of the bonded debt of the United States.

Sec. 2. That the Secretary of the Treasury is hereby authorized to sell and dispose of any of the bonds issued under this act, at not less than their par value for coin, and apply the proceeds thereof to the redemption of any of the bonds of the United States outstanding, and known as five-twenty bonds, at their par value, or he may exchange the same for such five-twenty bonds, par for par; but the bonds hereby authorized shall be used for no other purpose whatsoever. And a sum not exceeding one-half of one per cent of the bonds herein authorized is hereby appropriated to pay the expense of preparing, issuing, advertising, and disposing of the same.

Sec. 3. That the payment of any of the bonds hereby authorized after the expiration of the said several terms of ten, fifteen, and thirty years shall be made in amounts to be determined from time by the Secretary of the Treasury, at his discretion, the bonds so to be paid to be distinguished and described by the dates and numbers, beginning for each successive payment with the bonds of each class last dated and numbered; of the time of which intended payment or redemption the Secretary of the Treasury shall give public notice, and the interest on the particular bonds so selected at any time to be paid shall cease at the expiration of three months from the date of such notice.

Sec. 4. That the Secretary of the Treasury is hereby authorized, with any coin of the treasury of the United States which he may lawfully apply to such purpose, or which may be derived from the sale of any of the bonds, the issue of which is provided for in this act, to pay at par and cancel any six per cent bonds of the United States of the kind known as five-twenty bonds which have become or shall hereafter become redeemable by the terms of their issue. But the particular bonds so to be paid and canceled shall in all cases be indicated and specified by class, date, and number, in the order of their numbers and issue, beginning with the first numbered and issued, in public notice given by the Secretary of the Treasury, and in three months after the date of such public notice the interest on the bonds so selected and advertised to be paid shall cease.

The act of January 20, 1871, (16 Statutes, 399,) amending the above, reads as follows:

That the amount of bonds authorized by the act approved July fourteen, eighteen hundred and seventy, entitled "An act to authorize the refunding of the national debt," to be issued bearing five per centum interest per annum, be, and the same is, increased five hundred millions of dollars, and the interest of any portion of the bonds issued under said act, or this act, may, at the discretion of the Secretary of the Treasury, be made payable quarter yearly: *Provided, however,* That this act shall not be construed to authorize any increase of the total amount of bonds provided for by the act to which this act is an amendment.

The first step toward refunding under the above acts was taken by Secretary Boutwell on the 28th of February, 1871, by the issue of public notice that on and after the 6th of March following books would be opened in this country and Europe for subscriptions to the several classes of bonds to be issued under the refunding acts.

The following is a statement of the amount of the coin-interest-bearing debt outstanding on the 1st of March, 1871, the nearest date to the commencement of operations under the refunding acts quoted above:

Loan of 1858.....	\$20,000,000
Loan of February, 1861 ('81's).....	18,415,000
Oregon war debt.....	945,000
Loan of July and August, 1861 ('81's).....	189,318,100
Five-twentieths of 1862.....	493,738,350
Loan of 1863 ('81s).....	75,000,000
Ten-forties of 1864.....	194,567,300
Five-twentieths of March, 1864.....	3,102,600
Five-twentieths of June, 1864.....	102,028,900
Five-twentieths of 1865.....	182,112,450
Consols of 1865.....	264,619,700
Consols of 1867.....	338,832,550
Consols of 1868.....	39,663,750
	1,922,343,700

APPLIED SCIENCE

In Agricultural and Rural Economy.

EDITED BY DR. M. G. ELZEY, OF WOODSTOCK, MD.

MIXED RACES.

We do not indorse the very common view that crossing breeds or races, *per se*, strengthens them. The converse of this proposition, that long-continued breeding within the limits of a single family or race, *per se*, results in the deterioration lacks very much of being established by proof. The physiological law appears to be this, viz.: The laws of heredity operate in the same manner upon offspring whether the parent be akin or not akin, and the "curse of consanguinity" is merely a bug-a-boo of pseudo-science. There is not a law of transmission from parent to offspring in the case of consanguineous parents, and then a different law of transmission from parent to offspring in the case of parents not akin, but one and the same law governs both cases. If we seek the purest race of mankind we must name the Hebrew. Is it accordingly the weakest race physically or mentally? The reverse is true. The average longevity of the Jew is greater than that of any race, and they have time and again escaped, as if they possessed charmed lives, when other races in the very midst of which they dwelt were swept away by thousands by devastating epidemics. It has been said very often that Americans excel in physique and mental energy. But there is not an American race, nor does the population present that admixture of races sometimes pretended. It is rather a mixture of races in heterogeneous mass than an amalgamation of races into a new and homogenous race. Is the claim of physical or mental superiority maintained? We had recent occasion to remark the fact that the death rate of London is less than that of Washington, far from the worst of American cities. Beginning with George Washington, name the great men of America, and which of them have been, racially considered, mongrels? As for example, German-Irish or Italian-English crosses; consider further the fact that in Spanish-American communities we have the most extensive mongrelization of races. Is it from thence that we have our orators, statesmen, authors, soldiers of the highest distinction? No, nor among the many great and distinguished men of the new world who are natives of that section are the majority of mixed parentage.

Calhoun was a Caucasian, Benjamin a Jew, and the great men of our South have been racially pure. Are the mixed races of the central and southern parts of America superior or inferior to the pure races in the midst of which they are placed? Inferior to them all will agree.

There is a constant comparison between the negro and the mulatto, and much is made of the fact that the mulatto is mentally superior to the negro. But does the superiority of the white race count for naught in this cross? Is the mulatto man superior to his white father, or is he in any respect better than a medium? It is not so, but physically inferior to both parents he undoubtedly is. Why the universal contempt in which mongrelized races are held if superior to pure races?

Take the case of the half breed Indian and negro; so styled Chino. This unfortunate being seems to inherit all that is bad and little that is good from both sides. Very far from the wisest, he is doubtless the meanest of mankind. If we now turn from the consideration of the human race to the study of the cross-bred races of animals we shall find the same results. The conclusion arrived at by Mr. Darwin as the result of an almost perverse ingenuity in the manipulation of facts, viz., that among domestic animals the benefits of a cross, *per se*, are immediately conspicuously almost invariable, has not been sustained in the later experience of modern breeders and farmers. Take the case of the race horse, so styled thoroughbred. This animal deteriorates from all mongrelization including a return to the fountain of oriental, or Arabian blood. That cross has been repeatedly tested and has as often failed to produce improvement on either parent. Take the case of the Laverack strain of English setters. The late Mr. Laverack inbred these dogs intensely for fifty years. He at one time made crosses between his breed and the Irish bred setter, but he confessed that the experiment failed and he got rid of the mongrels. After Mr. Laverack's death Mr. Llewellyn crossed his breed with a miscellaneously bred English setter, and this cross failed to increase the stamina of the breed. The writer has handled extensively and observed more extensively both Llewellyn and Laverack setters, and he thinks grim-slyness, idiocy, tuberculosis and chorea much more frequent as the result of Llewellyn's crosses. Take the case of the Rich family of American merinos. After having been long and intensely inbred they were first crossed by Dr. Randall, that most eminent authority, in 1842. They were then pre-eminently hardy and no one now pretends that they gained by the cross either in hardness or size. Take the case of the intercrossing of Jersey and Short Horn cattle. It may be said to be a cross not fit to be made. It deteriorates the good qualities of both breeds in all respects and improves nothing. Mr. Darwin to the contrary notwithstanding, mixed races are as a rule inferior races, like the poor Chino, inferior to a negro and worse than an Indian in almost all respects. If in breeding, for the mere sake of inbreeding can not be expected to do any good and may well be expected to intensify bad qualities of whatever kind, crossing for mere crossing's sake is no whit more wise nor less objectionable. Mr. Darwin's contention that the benefits of a cross among domestic animals are almost invariably conspicuously evident is not sustained.

Rotation and Diversification.

BY J. R. D.

We are advised now to throw out of the rotation staple crops best adapted to our soil, and to bring into their places a little of this, that, and the other, gathered together from here, there, and everywhere under promise of "protection" and "drawbacks." —Dr. M. G. Elzey, in NATIONAL ECONOMIST.

Our friend, the Doctor, is intensely radical in some things, extremely conservative in others, erratic occasionally, and interesting always. We would not throw staple crops "out of the rotation." The truth is, as our professor of "applied science" well knows, there is no such thing as a scientific rotation in our farm practice, if we allow a few notable exceptions to prove a rule. The lack of rotation, on our cotton and

wheat farms, and in corn growing, is not only a practice in opposition to science, but it is also opposed to diversification.

The production of beet sugar illustrates the compatibility and essential necessity of union of scientific rotation and diversification. Success with sugar beets compels rotation. A common rotation is one field in four, and the three other crops yield more than the whole area did before. More cultivation, more fertilization, more science, gives so much larger results that the entire sugar crop becomes in a practical sense clear gain. The beet refuse necessitates cattle feeding, and that increases home fertilizers, which give larger rates of yield, with more vitality to withstand insect depredations.

The most damaging criticism upon the crudeness and clumsiness of our sugar cane industry is the fact that it has not yet regained its ante-war proportions. The fact that at least one-third of the available sugar in the cane harvested is not extracted, is sufficient to account for that failure. The fact that beet sugar to supply our needs is not made on all our northern border and on the Pacific coast is due to the presence of primitive methods, the absence of scientific agriculture, rotation included. Europe was slow in reducing the cost of beet sugar from a dollar a pound to two cents, yet half of its present product of 3,600,000 tons, a full supply for the continent and Great Britain, is the realization of the past ten years. Our progress from the start will be far more rapid than that of Europe.

Dr. Elzey does injustice to the intelligence, the enterprise, the aptitude for progress, the ability to acquire skill in new lines of effort, when he relegates our farmers to the domain of old fogeyism, and shuts them out forever from the rewards of progress. It is the business of a leader to lead, and not to hold back in deference to the prejudices and inertia of the masses; to encourage a look upward, a step forward, and not a glance earthward and a movement crab-like. To teach the heresy that has cost the South so much, that cotton must be the only money crop, is to limit the rural resources of the cotton States to a few dollars per head, and doom that magnificent country to perpetual poverty. Thank heaven, not all the old fogies in christendom can place that limitation on the rural South. Let us wake up, shake off our dreamy theories, go to work to produce what the country needs and the soil is waiting to produce in profusion. Let us eliminate from our vocabulary the thousand can'ts and won'ts which hobble our efforts, for they are only cant to which we are seeking to wont ourselves.

Comment by Elzey:

Folk maun do something for their bread,
A sae maun—statisticians.

A Plan of Campaign.

BY C. B. HEMINGWAY.

The farmers have ample power to force into the political arena measures for their relief and compel their passage. But before they can do so they must learn how to do it—the secret of practical politics. Once they have learned this: that it is not necessary to convert a majority, but that a mere handful of votes, properly managed, can secure most anything, the rest will be easy. They must learn that it is not necessary that a politician should be a "good man," but

that he is a mere machine whose function is to crystallize into law the measures demanded by the voters who elected him. If the mass of the voters who elected him do not demand the passage of measures, then, so far as they are concerned, he has nothing to do. As a rule, a politician is without personal views on any subject, and does not wish to acquire any, and frequently, he is without honor or conscience. His one object is to be elected, and to achieve that end he will do anything he can.

The great mass of the people are about equally divided into two great political parties. Most of the people who "belong" to these parties really have no clearly defined views as to policy, but are attached to their parties through habit and prejudice. Many of them think they have views, and that the party to which they adhere proposes to carry them out, and work along their lines to progress; but, as a matter of fact, no party has a settled policy, except that of do-nothingism; and, furthermore, no party of its own accord proposes to do anything, and does not do anything unless compelled to. Each party is controlled by a machine, and the sole purpose of each machine is to carry the election and secure the offices for its favorites. To do this it must secure the independent or "floating" vote. These independents are the people who shape political destiny, force measures upon parties and carry elections. Each party constructs its platform utterly regardless of the interests of those who "belong" to the party (they are certain of their votes anyhow); and the object of the platform is to entice the votes of the independents. Thus the platform is drafted solely to accord with the views of those who do not belong to the party, because by means of their votes alone can election be secured. This is the law of practical politics. Its wisdom and beneficence is unquestioned by those who comprehend it. The fathers "bullded better than they knew," perhaps. Thereby ignorance balances ignorance, leaving intelligence to turn the scale. Were it necessary to convert a majority to a belief in the necessity for a certain act, very little, probably nothing, would ever be done. It is doubtful whether a majority of the people ever actively entertained a like view on any question. If farmers ignore the teaching of experience and common sense, and organize an independent political party with a view to carrying their measures, their efforts will be abortive and end in the usual fizzle. If they would be a power in practical politics they must stand apart from all political parties, and demand of either party the passage of their measures, offering support if the demand is conceded, and threatening opposition if it is not; and they will succeed. But they must be content to secure the repeal of bad laws and the enactment of good ones, and set aside all desire for personal aggrandizement, and leave the offices to the politicians. "No man can serve two masters."

A New Party, or Not?

By J. A. TARRS, OF RUSTON, LA.

It seems that in certain quarters just now the question is, whether the Alliance and Industrial Union is a new party or not. I have given the subject some thought, and can say for myself that it is my opinion that the question can easily be settled by both or either of the two existing parties. The Farmers Alliance and Industrial Union at St. Louis made certain

demands and adopted certain principles which they claim as necessary for our people. Those who claim to be the mouthpiece of the Democratic party in certain sections are very decided in their opposition to these principles, claiming that they are unconstitutional, without precedent, and altogether chimerical. In Republican ranks the same opinions have been fully and freely expressed. The mouthpieces of both these old organizations give us to understand that it is our duty to depend for redress of our grievances on our present parties, but in every case discourage the hope of relief through the methods proposed by our representatives at St. Louis. In this dilemma what should we do? We have only two courses open to us. Shall we call a meeting of the Farmers Alliance and Industrial Union for the purpose of reconsidering our action at St. Louis, and then publish to the world that the best talent among the agriculturists of America were a set of blockheads and did not know what they needed, and that we were mistaken and beg our worthy party bosses to forgive our folly and take us back into the old folds and feed us on "tariff reform" and "bloody shirts" the rest of our mortal lives? Or shall we examine ourselves thoroughly and see if we really do need reform in our Government? And if we find that we do, examine ourselves again and see if we are the men that can be depended on to work to bring it about. If we decide that we need reform, and that the methods proposed at St. Louis are the means, it is next our duty to carry those methods out or surrender the arena to some class or body of men who have the manhood to work for them with a determination to succeed. Shall we go ahead with our demands determined to win, be the obstacles what they may, telling the old parties "these are our principles; if you can make them your battle-cry we are with you; if not, we will go on to victory without you and in spite of you?" Unless we can take up these principles in this spirit and stand out firmly we had just as well never had organized, for while either party denies the justice of our demand or the wisdom of our methods we can not consistently, or with any hope of success, act in concert with it. We are either right or wrong. If right, we should be firm in standing up to our principles and have no compromise to make.

If we are wrong, the sooner we find it out the better it will be for all concerned. Having satisfied ourselves on the justice of our demands and the wisdom of our plans, the next thing for us to do is to propose to the dominant party in our section (either Democratic or Republican) to work in harmony with it if it will take as a platform our demands, and give it to understand that we are determined to hold ourselves in readiness to act independently in case it refuse. We can not afford to forever be the slave of precedent, or the interpretation of the organic law that was evidently intended to meet every exigency that would arise in our Government in matters of finance or commerce.

Both of the parties now existing have been fully capable of construing our law to meet any disposition of finance they have wanted to make, and while some prominent leaders in one of the parties claim that our Government can not go into banking or money-lending for the farmers, the histories tell us that the United States loaned the Union Pacific Railroad money to finish its construction, taking every

legal care to so adjust mortgages that it was necessary to amend the law before the road was built. Saying nothing of the banking laws, this one act of our Congress is enough in the matter of precedent to knock that argument out. The Alliance has not organized as a new party, but it would be very poor policy if it were not well enough organized and drilled to act independently if the necessity for such action came. Our principles should be paramount, and we can not afford to risk anything by sacrificing those principles for the sake of holding some party intact that does not indorse them. It is not a question of the longer success of some national idea embodied in some platform that has grown old in the service, but it is a question of the continuance of certain existing conditions. These conditions, for which both parties are responsible, are fast driving us into serfdom, and the only heritage they can promise our children is a lifelong struggle with powers they can never conquer without bloodshed and anarchy. We should realize that if we can not remove this octopus from our system of Government by legislation, it will be more difficult for them, for it will the more securely be fastened upon the nation. We must think, plan, and when the time comes act. We will have this year for promises, two more for them to be redeemed or broken, and then we will be sure of what it is necessary for us to do.

The telegraph brings the welcome news that both the Republican and Democratic members of the committee have agreed to report adversely the bill providing for farmers' pawnshops in the national depositories of grain. The public, farmers not excepted, are to be congratulated on the outcome of this Quixotic bill. No matter what the pressure may be in some localities, the advocacy of such a socialistic measure would prove fatal in the end to any party that adopted it. The farmer may be as badly off as the demagogues tell us; but that does not prove that his remedy lies in having the public carry his business. It might be well on general principles to have such a law passed, simply to show that it would injure the class it proposes to help; but fortunately, the American people are not in need of any such drastic measures. The principles of government adopted by our fathers are not yet forgotten.

The above is taken from a monthly published at Chicago called the "American Elevator and Grain Trade." It has seen fit to make a violent attack upon the sub-treasury plan, and among other matter publishes Senator Carlisle's letter. It also defends the gambling in futures and assumes such transactions to be a benefit to the farmer. It advocates the monopoly ownership of all grain elevators. It defends the alien syndicate who own Chicago's elevators and is in general sympathy with every institution calculated to wring tribute from the producer. Mixed up among such sentiments as these is usually found the most strenuous objections to the sub-treasury plan, and in this case a positive falsehood is included, as there has been no report on the bill. Mr. Carlisle is in congenial company in his opposition.

Weekly Capital Item (Baton Rouge, La.); hopeful sign: It is gratifying to know that the Farmer's Unions are all prospering and growing stronger. From an insignificant membership of about one hundred and fifty in this parish, this organization has grown in one year to near eight hundred. Every one actively engaged in farming, and who is eligible, should be an active working member.

THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Great West (St. Paul, Minn.) is getting warmed up:

A drove of plutocratic newspapers, referring to the sub-treasury bill, and the bill to loan money on land, ask if the Government is to become a pawnbroker? Well, when the Government is loaning nearly a billion of dollars on unsecured paper, it may much better be in the pawnbroking enterprise. Either the national banks are private banks or they are national concerns. Among their loans as they stand to-day over \$900,000,000 are loaned on "commercial paper." Of this over \$600,000,000 is secured only by indorsement, and about \$300,000,000 is absolutely without indorsement or security of any kind. Those blind Jackals at Washington will find that land is good security when an outraged people have buried them under six feet of ballots!

The Peninsula Farmer (Federalburg, Md.) says truly:

The wisdom and utter necessity of the determination of the National Alliance at St. Louis to support for Congress only such men as would refuse to be bound by the Congressional party caucus has just been shown by the action of the House of Representatives at Washington on the silver bill. The measure, as passed, again demonetizes silver, and so far as possible reduces it to a mere commodity and article of barter. This suits speculators and Wall street gamblers, but is in direct opposition to the will of the people and the demands of the Farmers Alliance and Knights of Labor. This iniquitous bill was not passed because a majority of the House were in its favor, for it is well known that a majority were in favor of free coinage. However, the majority of the Republican caucus had decided for this bill, and the shameful spectacle was presented of men voting against their own honest and decided convictions and the known desires of the communities they represented, for the passage of a measure they believe to be utterly wrong in principle and policy. Some of these misrepresentatives will find their constituents in no mood to accept of anything in the line of explanation or apology for their betrayal of the trust their constituents committed to their care.

Alliance Sentinel (Lansing, Mich.); this has always been the rule:

Business never stagnates when money is plenty—it is always active when the people are prosperous, but whenever the volume of money has been contracted business has been curtailed, the factories and mines closed, strikes arise, and money flees from active use into the money centers of the country. Then you will begin to hear the bankers croak and say—how plenty and cheap money is, and that all they want is the security. The money of the banker comes out of the vault when it sees an opportunity to rob some person. The banker's money is the modern highwayman of society.

The Caucasian (Clinton, N. C.) says:

Oates, of Alabama, and Carlisle, of Kentucky, are both out in long articles on the sub-treasury plan. Each admits that the farmer is greatly depressed and oppressed by unjust laws, yet they say that the sub-treasury plan will not do. They claim to be statesmen, and as such it would have been more becoming in them to have used the same time and energy they have expended in criticizing the bill, in amending it, or framing a better one with the same object. If they as statesmen in the halls of Congress had done their duty protecting the farmers' interests, or rather in seeing that they got simple justice, then the sub-treasury bill would never have been necessary. What are they going to do about it? Are they going to sit idle and not only do nothing for the farmer's relief, but even criticize the measures we are forced to offer for ourselves?

The Union (Quicksburg, Va.), a sturdy Alliance paper, says:

It is the duty of every farmer and wage-worker throughout the country to make a special study of the Alliance movement, as much so as they do the movements of the two great political parties, and see which of the three great organizations is advocating measures that are of the most vital interest to the people generally. The political parties only

favor measures for the moneyed few, while the Alliance is protesting, and fighting for that which will benefit all mankind alike. Every man who believes in equal rights to all should study this matter and act wisely.

The Progressive Farmer (Raleigh, N. C.) is sarcastic:

A wild man has been discovered in the woods of Canada. He wears no clothing and is hairy like a bear, can run on all fours and bark like a dog. There is nothing strange about that. He is probably one of our North Carolina politicians who has gone crazy for fear the Alliance will go into politics.

The New Mississippian (Jackson, Miss.) well and truly says:

With one hundred and fifty bankers in Congress it is no wonder the laboring classes fail to secure any legislation favorable to them. As long as this state of things exists, the sub-treasury bill or any bill destined to work in a financial way for the benefit of the farmers will fail. Yet the continual howl is raised that the Alliance, Wheel, and like organizations should steer clear of politics. Like Colonel Polk, of the national organization, we believe that the Alliance if not political is not worth a fig. What it needs is to be political enough to send honest farmers and laborers to the National Legislature—men who are not in railroads, nor banks, nor corporations. Then will a new era dawn upon us. Then will our old country spring back once more into the grooves of prosperity to run smoothly once more.

Industrial Free Press (Winfield, Kans.); this question must be answered soon:

This question is now being asked by thousands. The answer is too plain to be misunderstood. The people should control the workings of this government, and when the name "people" is taken into consideration it gives the farmers, laborers and mechanics a very large prestige in numbers. The only remedy to bring the prosperity of this country back to its former standard, is for the people to assert their rights. The Alliance have been making demands that have been unheeded. The question is answered, that a few have the many under servitude. The lands of our people are fast passing into the hands of English purchasers, and under this state of affairs, will the United States be in any better condition than some of the old countries who are to-day governed by the iron hand of despotism? The question of "who should control?" should be taken into every sub-alliance and all its different features thoroughly discussed.

Labor Journal (Fulton, Ky.) says:

The friends of the national banks claim that the banks are pressed hard to make even a nominal interest on the money invested in them, or rather in the bonds upon which the system is founded. The strangest part of it all is that these same banks are moving heaven and earth to prevent any action endangering the precarious living eeked out by these paper institutions.

Southern Alliance Farmer (Atlanta, Ga.) Here is a chunk of solid truth that many papers have overlooked. All men outside the Alliance are not its enemies:

There is a surprise in store for the men who are fighting the Alliance, from a quarter they are not expecting. There are numerous good men over the State of Georgia, many of them who, on account of their business relations, are not eligible to membership in the Alliance, and many who have not from one cause or another connected themselves with the order, who are as devoted to the principles of the Alliance, and recognize the importance of laws being passed for the relief of the masses of the people.

You have only to talk to any man you meet to find out he is posted, and will not hesitate to tell you the Alliance has and is showing up more and more every day the infamous laws on our statute books. The Alliance men appreciate the many compliments paid them daily for the good work they are doing, and assure the citizens their confidence will not be betrayed.

The Herald (Milton, Ore.) believes the people are not to be fooled all the time:

The people begin to be able to see through a mill stone when they look it squarely in the eye as well as the man that made it, and they are in a mood to go to the polls and smash programmes with their little ballot and are getting moodier every day. When Senator Dolph on Monday told a reporter that he knew the Republican-party of Oregon, and

foretold a grand Republican victory, he would have been nearer the truth if he had said that the people of Oregon knew Senator Dolph and D. P. Thompson and are becoming fully aware of their little game and do not propose to "stand their work." The people have rebelled and the crack of Satan's whip and the drum beating and bugle call of the Oregonian are heeded no longer. We are the people, and the people's rule has been stamped on every ballot in letters too plain to be misunderstood. Pennoyer was elected for the reason that he was the friend of the people and they have confidence in him. Thompson was defeated because he was a banker, a friend to monopolies that feast and fatten at the expense of the public. It was not on account of what either party had written in its platform that elected Pennoyer or defeated Mr. Thompson. The people have too long been dealt with falsely by voting for expressed sentiments in platforms that were made to catch votes. They remember even now the position of the Republican party on the silver question at Chicago and compare it with Mr. Harrison's threatened veto now as they contrast the sentiments of Senator Dolph with the Republican national platform.

The Texas Labor Journal gives a truth with a moral in a sententious way:

Conscience is what education makes it—the canibal feeds upon his victims without scruples because he feels there is no wrong in so doing.

FROM CORRESPONDENTS EVERYWHERE.

Beach City Alliance, No. 216, of North Carolina, inclose resolutions of thanks to President Polk, Messrs. Macune, Wardall, Livingston, and others for the able manner in which the sub-treasury was presented before the committees of Congress.

Bloomdale F. A. No. 433, Collin county, Texas, sends the following resolution: "That we heartily endorse the many efforts of the Alliance Legislative Committee at Washington, D. C., in behalf of the people in their labor to have the sub-treasury bill passed."

E. Shorkley, of Lewisburg, Pa., sends a memorandum of what the census enumerator will have to report of a sample farm in that township: "A loss of \$22,000 on 200 acres of farm property is boldly and officially recognized, since held by present owner, in seventeen years. The property is in every way but in valuation greatly improved. Who or what class has my money? And where is redress for my children and family?"

F. A. Missinger, editor of the Howitzer, Granby, Colo., writes: "In THE NATIONAL ECONOMIST for June 7, 1890, I find the following: 'Here is the situation. In January, 1889, there was estimated to be \$704,608,169 gold and bullion in the country, of which, after a most careful search and liberal allowances, \$275,000,000 can not be accounted for.' I think if the matter of English ownership of gold and silver mines, lands, irrigating ditches, manufacturing establishments, fire and life insurance offices, mortgage and loan companies, railroad stocks, etc., belonging to English capitalists in Colorado, be considered, the amount of gold now *not* estimated, to some extent, be accounted for."

Nathan Hiatt of Exeter, Mo., expresses the opinion that there will never be a proper system of money until the metals are done away with and a system of paper money introduced. The brother says: "There is no danger of getting too much. What is not needed can lay in the public Treasury until the business of the country demands it, when it can be put in circulation. The Government should furnish money at every county seat, fix the amount of interest at 6 per cent, and accommodate all with money who can give good security. This system of money will perpetuate a true republican government, supplying all need for money and giving all a chance to make an honest living." Space precludes publishing the entire letter, but it proposes to reduce taxes and expenses in various ways, among other things abolishing courts of law.

J. C. Byers, lecturer of Carter Alliance, No. 705, Calhoun county, Miss., incloses a sample of journalism clipped from a paper in that county. The sample is a pair of those inbred party lies lately circulated in the South as Democratic thunder against the Alliance and will do no harm. One repeats the story of the \$300,000 furnished by the Republicans to sustain THE ECONOMIST, and the other a reproduction

from a western newspaper congratulating the Republicans upon the incidental help furnished by the Alliance in overthrowing the Bourbons in the South. Lies of the same litter circulate through the Republican States colored to work on Republican prejudices. The Alliance depends upon the intelligence of its members. THE ECONOMIST must have faith in the confidence its tone and character inspire in its readers. Time and space can not be given to dirty controversy.

Mr. Davison, Mica, Ga., is strongly in favor of an independent party. He concludes: "I am irresistibly impelled to the belief that National reform by the ballot must be secured by a national party, organizing as such, setting forth clearly its principles and cutting entirely loose from all prejudice, sectional and partisan, placing a leadership of tried and true men in the van and drawing the lines so firmly that all friends will keep inside and enemies on the outside. If this work is not commenced *now* we will fail to elect a Congress this year to pass the substitute for the sub-treasury bill, and we will be compelled to lay aside our partisan and sectional prejudices and organize directly under the fire of all the enemies' mud batteries in 1892. The veteran reformers of fifteen years now working as a unit in the Union Labor Party invite our co-operation. This will unite and give confidence in our council, and retaining our locks (sovereignty) we can as easily break asunder the old party ties as Sampson did the new ropes with which he was bound."

M. A. Vinson, Lockhart, La., writes to inquire as to the constitutionality of the sub-treasury plan of the Alliance. The avowed objects of the framers of the Constitution "were to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." Whatever can be shown to aid in any of these objects can not be within the limits of prescribed acts, and as yet no one has shown that the purpose of the farmers is different from any of those set forth above. As to any operation of the sub-treasury plan which contravenes the Constitution, there is a standing challenge to any caviler to point it out. Its underlying principle is justice to the producers, and if any detail is wrong that can be amended. As yet none of the Congressmen who have attacked it have more than their personal declarations, unsupported by detail, to back their assertions. Singularly enough nearly or quite all the congressional letter-writers are on record as identified with legislation closely analogous to the sub-treasury plan.

Mrs. W. E. Davis, of Dubberly, La., gives an object lesson to the quasi statesmen who establish conditions for the people:

"Will you permit a farmer's wife to tell Mr. Flowers that he need not wait for the passage of the sub-treasury bill to see woman working in the field. If he will come South he can see them both in cotton chopping and picking time in the fields with every child that is large enough to handle a hoe or carry a small sack of cotton. I am sure if the government would furnish a warehouse with a safe keeper for those children who are not large enough to work so that they would neither burn, drown, or break their necks their mothers would be thankful. When our children ask why we plant crops so large that it keeps every one at work from before day until after dark, we explain that those who should regard the rights of the wealth producer have proved recreant to their trust; that they have placed us in the hands of gamblers in futures; that dire necessity compels us to labor until life becomes a burden that those future gamblers may make millions out of what, if allowed to remain in the hands of the proper owners, would make millions of happy homes. Oh! we are being educated and educating our children. In homes where a few years ago the father knew no more than to vote the party ticket, political economy is now discussed until boys of twelve are better informed than were their fathers a few years ago. The time is past when the bloody shirt will be such a factor in an election. We have learned that our northern friends do not desire to put black heels on white necks; while they have learned we do not desire to keep the negro in semi-slavery, but are glad to see him prosper. If those who have it in their power to give us justice fail to read the handwriting on the wall the interpreters are coming in the persons of our sons who will proclaim the meaning in terms so loud that the thunder will be heard over the land. It will be neither North nor South, but a solid North and South, united against common oppressors."

Official Organ of the National Farmers Alliance and Industrial Union.

THE NATIONAL ECONOMIST

Volume 3.

SATURDAY, JULY 5, 1890.

Number 16.

TABLE OF CONTENTS.

POLITICAL	241
SOME OBJECTIONS TO THE SUB-TREASURY ANSWERED	By J. M. Whitehead 245
A FRAUD ON THE PUBLIC	249
A FINANCIAL HISTORY (No. 19)	By N. A. Dunning 243
CHEAP MONEY	248
SOUTH CAROLINA VIEWS	253
STANDING BY THE ALLIANCE	242
INTERSTATE COMMERCE DECISIONS	244
THE WISCONSIN STATE ALLIANCE	246
A SAMPLE NEWSPAPER FALSEHOOD	247
APPLIED SCIENCE	By Dr. M. G. Elzey 252
FROM CORRESPONDENTS EVERYWHERE	254
THE REFORM PRESS	255

HERE IT IS!

I mean what the National Secretary can furnish you.

A Complete Outfit (without Charter) for	\$2.50
A Seal for	2.25
A Solid Gold Badge for	1.50
A Solid Silver Badge for50
A Gold Plated Badge for50

This is the exact size and design of Badge.

Special inducements to Secretaries who wish to order a number of Badges.



T. A. CLAYTON,

Agent of the Farmers Union Commercial Association of Louisiana, Limited,

198 Gravier st., New Orleans, La.

Headquarters for purchase of Sugar, Molasses, Coffee and Rice, and for sale of Cotton, Staves, and all country produce.

GERMAN SILVER

Watchcharm Key Ring

With YOUR NAME and ADDRESS, and

EMBLEMS

Of the Farmers Alliance sent upon receipt of 25 Cents to any address. Postage Stamps taken in Payment.



WM. BAUMGARTEN,

213 E. Fayette St. Baltimore, Md.

J. B. DINES,

MISSOURI FARMERS ALLIANCE BUSINESS AGENCY,

317 Olive Street, St. Louis, Mo.

SPECIAL ARRANGEMENTS TO HANDLE WOOL IN LARGE OR SMALL QUANTITIES.

Central Point for purchase and sale of Flour, Grain, Provisions, Machinery and Merchandise. Best rate yet obtained on Alliance seals and badges.

Address all orders to

J. H. TURNER,

Sec'y N. F. A. and I. U.,

511 Ninth Street N. W.,

Washington, D. C.

Holton Stock Farm,

ROB'T E. PARK, PROPRIETOR,
HOLTON, BIBB COUNTY, GEORGIA,
R. T. V. & G. R. R. Eight miles from Macon.

IMPORTED SHETLAND PONIES.

REGISTERED BERKSHIRE PIGS.

REGISTERED JERSEY CATTLE.

Of best Butter Families.
Several handsome Jersey Bull Calves, thoroughbred and graded Jersey Heifers for sale.

Address

ROBERT E. PARK,
MACON, GA.

Mention Economist.

HOLSTEIN-FRIESIAN CATTLE FOR SALE.

On account of continued ill health, I am unable to give my personal attention to my cattle, and will therefore offer the entire herd or any portion of it at

VERY LOW PRICES.

Cows tested for butter and milk, ranging as high as 20 pounds of butter per week and nearly 15,000 pounds of milk per year.

A fine lot of yearling heifers bred, and a grand lot of heifer calves. Also a few bulls from highly-tested cows.

W. B. CLARK,

Goodlettsville, near Nashville, Tenn.

ATTICE EBT TUCHOU WASHINGTON, D. C.

THE NATIONAL ECONOMIST PUBLISHING CO.