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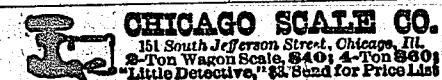


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FIVE CENTS

VOL. II.

WASHINGTON, D. C., FEBRUARY 1, 1890.

NO. 20.

PURE POLITICS:
pressly surrendered in the general compact called the Constitution. The other believed in a strong government with a sufficiently liberal construction of the Constitution to fortify the National Government with strength enough to be a source of assistance to them as farmers. They emphasized their determination to secure the adoption of these reform measures by saying:

We will support for office only such men as can be depended upon to enact these principles into statute law, uninfluenced by party caucus.

That class of newspapers conspicuous for being intensely and bitterly partisan have strongly condemned the Alliance for the declaration of this sentiment, claiming that it is undemocratic or unrepresentative as the case may be; Democratic papers claiming the former and Republican papers the latter. They also charge that it indicates a third party move.

These declarations and charges are a great injustice to both political parties and to the great farmers' organization they grossly misrepresent. A party or an organization can not thrive by doubtful methods any better than an individual can; disaster is sure to follow evil practices. Both the Democratic and the Republican parties were founded originally in the interest of the people; both desired to legislate for the greatest good to the greatest number, and both have assented to the doctrine that the will of the people is the supreme law. In the early days of this republic it was the ambition of the statesmen who figured as party leaders, to enact measures for the benefit of the people, but gradually and insidiously the doctrine has obtained currency in party practices, that the supremacy of the party is of greater importance than the welfare of the people, and acting on this principle corruption has been justified as a matter of policy, and statesmen as leaders in the party conflict have generally retired in disgust, leaving the wires to be manipulated by those less scrupulous who have flourished until they now constitute a distinct class known as professional politicians. These two great parties at first certainly believed and contended for the supremacy of the people, and the prime object of both was the same—good government in the interest of the people. True they sought to secure this end by different methods. One believed in a strict construction of the Constitution, and that the National Government was a confederation of free and independent States, each of which was supreme within its own borders, save and except such rights as it had ex-

planted in the general compact. The other believed in a strong government with a sufficiently liberal construction of the Constitution to fortify the National Government with strength enough to be a source of assistance to them as farmers. They emphasized their determination to secure the adoption of these reform measures by saying:

We will support for office only such men as can be depended upon to enact these principles into statute law, uninfluenced by party caucus.

Such patriots as John C. Calhoun, Andrew Jackson, Daniel Webster, Abraham Lincoln and Alexander H. Stephens scorned with contempt the party caucus.

This obstacle—the caucus—must be surmounted before any reform measure can be expected from either party. The other alternative of starting a new party being foreign from the desires of the farmers, it would be perfect folly to advocate a reform at all unless those who went to Congress were informed that it was advocated as superior to the party caucus.

The resolution adopted, therefore, was an effort to secure reform in the party as against an effort to secure reform by a third party.

THE communication to Hon. Bishop W. Perkins, of the Third Kansas district, published elsewhere, indicates a line of action which, if adopted generally, would leave little doubt in the minds of the representatives as to what their people want. The gauge of the intelligence of a constituency should be the capacity of its representative. If a rule were applicable by which the representative could be estimated by the intelligence of his people, the member from Kansas would receive a high place. To retain the confidence of his people, as he is shown to do here, is certainly a most flattering testimonial to him.

THE NATIONAL ECONOMIST.

A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

INTRODUCTION.

It is proposed to devote at least two columns in each issue of THE ECONOMIST to a concise chronological statement of the financial operations of the Government from 1861 to the present time. Nothing will be included that does not bear directly upon the subject, and nothing will be purposely omitted that will either inform or instruct. The rapidly awakening interest among the people regarding financial matters, and the numerous letters of inquiry relating to this subject, seem to demand something of this character. These papers will be carefully prepared from the Government records, and the facts given in plain terms. By preserving these papers, the reader will in the end possess a complete history of American finance for the past thirty years.

At the beginning of the year 1861, the financial condition of the United States was very unsatisfactory. The effects of the panic of 1857 were yet visible, and the lack of business confidence which always follows such disasters was felt throughout the entire country.

To make the situation less reassuring, the baneful effects of a most bitter political campaign had to be met—supplemented by threats of national dissolution. To such an extent did these conditions obtain among the people, that a Government loan for only \$10,000,000, placed upon the market December 16, 1860, due in one year, received the following bids, \$70,200 at 6 per cent, \$5,000 at 7, \$24,500 at 8, \$33,000 at 8½, \$10,000 at 8¾, \$65,000 at 9, \$10,000 at 9¼, \$160,000 at 9½, 77,000 at 9¾, \$1,027,500 at 10, \$266,000 at 10¼, \$623,000 at 10½, \$1,367,000 at 10¾, \$1,432,700 at 11, \$4,840,000 at 12, with other bids ranging from 15 to 36 per cent. The Treasury statement for June 30, 1860, showed a national debt of \$64,842,288, with an annual interest charge of \$3,443,687, and \$4,877,886 in cash—making the national debt, less cash in the Treasury, \$59,964,402.

The total exports for 1860 amounted to \$333,576,057, with imports for same time of \$353,616,119. The total revenue of the Government was \$56,064,607, of which \$53,187,511 was received from customs duties, and \$1,778,557 from the sale of public lands. The expenses of the Government in all amounted to \$63,130,598. For the civil list, \$27,976,434; War Department, \$16,409,767;

Navy Department, \$11,514,964; Indians, \$2,949,191; pensions, \$1,102,926; interest, \$3,177,314. The number of inhabitants in the United States at that date was 31,443,321. From these figures we learn that the whole expense of Government amounted to \$2.07 per capita. We also find that the entire national debt was only \$1.90 per capita. Certainly extravagance in national affairs had not become a leading feature at that period.

February 8th, 1861, another loan of \$25,000,000 was placed on the market, payable

is not less than two or more than twenty years, bearing 6 per cent interest. Secretary of the Treasury John A. Dix suggested to Congress that the States be asked to pledge their faith as additional security for the payment of this loan, such pledges to be based on the surplus funds distributed to the States in 1836. After much discussion a bill was passed authorizing this loan, which was taken by the banks at an average of 89 cents on the dollar. The Secretary of the Treasury in his report, dated December 22, 1859, estimated but a small balance, if any, in the Treasury at the end of the fiscal year, June 30, 1861. He urged Congress to take some action in the matter, as there would be an increase of expenditures. A bill was introduced and thoroughly discussed. It was conceded as bad practice to increase the national debt in order to meet Government expenses, but how to avoid it led to a wide range of argument. The tariff and protection to home industry, state of the Union, and all political differences generally, received their full share of attention. But with all this the bill failed to pass at that session, was taken up at the next session, and finally became a law March 2, 1861. It was passed, however, after many Southern members had retired from Congress. Objections were not made to the necessity of issuing the Treasury notes, but to the increase of the tariff duties which was included in the same bill.

The amount of issue in the bill was \$10,000,000; but the war coming on so soon after its passage, \$35,364,450 in sixty day and two-year notes were issued.

The people are now comparatively free from debt. * * * The expansion (of money) has now reached such a point as to be absolutely oppressive to a large portion of the people, while at the same time it is diminishing labor and is becoming subversive of good morals. * * * The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency.

Without alluding to the Secretary's solicitude for the morals of the people, or the method he recommends in order to preserve these morals, attention is called to the statements that the people were nearly out of debt; that the expansion of money had diminished in some manner the necessity for the usual amount of hard labor. Based upon the above authority, it seems proper to begin with the year 1865, when the people were out of debt, had plenty of money, and as a consequence were not compelled to resort to continuous drudgery. If the condition of the people since that time has been improved, if they are more completely out of debt, if they are compelled to perform less hard labor now than at that time, our public policy has been a success; otherwise it must be put down as a failure.

The people have sustained the Government in all its endeavors. They have submitted to a system of taxation without parallel in the history of the world. The amount of money taken from the people, as shown

by public record by the present public policy, is \$9,468,000,000; on an average of population, about \$240 for each man, woman and child in the nation. Has this enormous treasure been wisely disposed of? Evidences are accumulating to show it has not. The condition of the people has gradually grown worse all these years, until at the present time it is almost unbearable. As long since passed the experimental stage and must now begin to give substantial evidences of its success or failure. If after a

less than 500 in 1865 to more than 14,000 in

THE NATIONAL ECONOMIST.

1889. Crime has increased more than 300 per cent; insanity 94 per cent; suicide 147 per cent; divorces 112 per cent; and pauperism from about nothing to a vast army of more than 2,000,000 tramps. Our jails are full, our prisons overflowing, our asylums crowded, and our poor-houses will not contain the applicants. Are these the fruits of a successful public policy? Ordinary ability will answer, no! The causes for these conditions are plain to the unprejudiced. Our public policy governing land is wrong, relating to transportation is worse, and our financial system is the most suicidal the world has ever seen. Without attempting a discussion of the first two propositions, it will be profitable no doubt to examine the last. Can the present policy of Government continue? has been the all absorbing question of the present time, because if not continued some other must take its place. The present public policy is bottomed on taxation, and taxation of any kind cannot be justified unless economically expended and a complete and full account rendered to the taxpayers. Can the public policy under

which we now live stand this test? For the last ten years \$100,000,000 annually has been taxed from the people above expenditures. At the present time there is \$625,000,000 held in the United States Treasury. Every pretext and excuse possible is made to the public as a reason for the continuance of this taxing and hoarding; \$100,000,000 is held under pretext of redeeming the green-back, at the same time there is a law prohibiting it; \$47,000,000 is loaned to banks without interest, and \$37,000,000 turned over to certain disbursing officers to use as they please; \$23,000,000 of fractional coin is held and classed as unavailable assets. This is done to cover up the fact that the present system of taxation is a burden on the people. The only methods now in force to replace this money among the people is by the purchase of bonds or expenditure for public purposes, neither one of which will help the farmer or laborer. In the effort to return this money again into circulation the Government shows its complete ignorance of the wants of the people. One of two conditions must obtain at once, the power to take from the people must be curtailed or a new system of replacing it must be devised. Either one means destruction to the present policy. There must be not only less taxation and more money, but the whole system of government in regard to both must be changed. Never again can the same single principle absorb the entire consideration of a political campaign. As a nation, hard times have come under both systems; in 1837, 1857 and 1873, but never when the people were well supplied with money. The present policy of government is doomed both as to methods of taxation and finance. The policy with which it will be supplanted must be founded on a just plan of taxation, an honest effort toward economy, and a financial system that will give the people not only an abundant but a flexible currency.

This author further says:

Government paper money has always enriched a nation when properly issued, restricted, and secured. It has ever been a success. Specie, for a domestic currency, or as a basis for paper, has been a failure without a solitary exception.

Napoleon, at St. Helena, claimed that England beat him with her spindles, but it was her paper money that kept the spindles in motion. Specie in its stead would have given him the victory.

England's entire disregard of specie and copious issue of paper money after the suspension of specie payments in 1797 till 1816 were the most prosperous days that England ever saw.

This wise policy, to which she was driven by necessity, together with the bills of credit issued by the united allied powers, and which were not only as good, but superior to gold, from "Kamtschatka to the Rhine," turned the tide of war against Napoleon and won the decisive battle of Waterloo, saving England from becoming a province of France.

This proves beyond question that England is not entitled to this distinction, if it may bear that term. The debt of that country is over \$3,000,000,000, and is perpetual. No provisions are ever considered for its payment. Beside this, the national debt of England is the one great factor that continues its existence as a nation. This may at first appear somewhat at variance

with the ordinary ideas of government, yet a close analysis of the matter will convince the most skeptical. Prominent Englishmen have so declared it, and with the abundant resources of the Government for payment, the fact that it does not, argues in favor of the above assertion. Many other reasons might be given if space admitted. All this should, to the average American, indicate a lack of financial wisdom as well as ability on

the part of this much lauded nation, and furnish ample reasons for not adopting any suggestions regarding finance coming from this source, until at least a thorough investigation has been made of their real worth.

SOME criticisms have been made on the demand for a re-issue of fractional currency by the Alliance, and Knights of Labor. While it may be of no great importance to some, it would be a source of much convenience to many others. Small bills in some sections are very scarce. To such an extent is this true, that one and two dollar bills are put away to be used only in making remittances through the mail. Silver is too bulky and inconvenient to be used for such purposes. Our law-makers have so arranged the postal note system, that money-order offices are exactly where they are not needed, being in such large towns that the same accommodations can be had at the banks. The smaller offices where there are no banks are denied this privilege. This is among the annoyances the people are compelled to endure which seem to be the chief end of legislation to bring about. If the people could obtain postal notes at the smallest and most remote post-offices, the system would be much more complete, and the people better served. As a result postage stamps are used to a large extent. Every newspaper knows what it is to receive subscriptions in postage stamps pasted and stuck together in a manner not at all satisfactory. For this reason alone every newspaper in the country should urge Congress to issue this kind of small currency.

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The Augusta (Kan.) News gives fair warning.

If this present national Congress does not legislate so as to relieve the masses from the pressure under which they are laboring, they need never come before the people for their suffrage again. They are organizing so that by the next presidential election they can dictate their own terms, if they see fit, and they will certainly have to become slaves if this oppression is continued, for they cannot possibly retain possession of their homes and make a living and educate their children. We can see now that the money sharks are gradually closing in on the weaker ones and taking their farms for debts, and the consequence is we have fewer settlers, fewer children going to school and a distressing aspect of the country.

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SITUATION AND REMEDY.

Lecture by Harry Tracy, at Austin, Tex., January 10, 1890.

LADIES AND GENTLEMEN: On my return to Texas three weeks since, I was astonished to see such universal prosperity among our people. Especially is this manifest in Milam county. Since my arrival I have seen farmers from every portion of Milam and from many adjoining counties, and every one of them say that our farmers are now in a more prosperous condition than they have ever been before. I have made it a point to interview every leading business man in Milam county and several in other portions of our State, and every one of them confirm those statements. All of our leading business men now say that the only thing that our country needs to make it permanently prosperous is a continuation of the Farmers Alliance.

Brethren, our organization has accomplished much. Texas is the mother of this, the grandest movement on earth, pregnant with the greatest of all blessings to mankind, that of destroying the power of money to oppress. Texas, therefore, must for all time lead her children, now numbering twenty-seven and more, to follow on to victory, and I am sure she will never conduct herself in such a manner as to never bring a blush upon the face of one of her children.

History often repeats itself, and from it we learn that inordinate greed has done more to destroy true Christianity and the happiness of mankind than all the famines and pestilences put together. Of all the enemies of man it is the chief.

The patriotism of the people has many times driven its votaries from powers, but as often it has been brought into power again and always under a new disguise. Often have the people been thus betrayed and plundered under new names and for new purposes, but always to the same end, to make a few rich. Often have the people been seduced into believing that the great object to be attained in life is to accumulate money. This infamous doctrine has destroyed more peoples' prosperity and happiness than all other evils combined. Our own common sense teaches us, history teaches us, and our own hearts teach us, that those who have built for themselves enduring monuments are not those who spent their lives in accumulating money, but were those who labored for the public good and were successful in resisting the tyranny of greed, and in pointing out ways and means by which the human family could escape from the toils of the greedy and make advancement towards life's chief end—peace, happiness and prosperity.

Such men are the only true benefactors of the race. Such men and their memories have been and will ever be revered and emulated by the good and great. Such men have ever been and ever will be traduced, defamed and persecuted by those who try to enslave mankind by selfishness and greed.

Yet in the face of these overwhelming facts we hear these plutocrats and their tools asserting that the wealth is more equally distributed here than in any other part of the world. That the lands, buildings and personal property of the country are owned mainly by the majority of our people; that our people pay less tax than in any other country, and that there is no danger of any such concentration of wealth in the hands of the few as exists in the old countries of Europe.

Statistics as to wide distribution of wealth, as shown by the vast deposits in savings banks by the great number of American farmers and of the high standard of American wages are continually manufactured by busy brains who work for pay are quoted as conclusive evidence that the American wealth is substantially owned by the mass of our American people. This is only another feature of the new disguise of the old enemy of liberty. Through such means many good people are deceived and unwittingly become the tools of their enslavers. If such people would only notice who it is that uses these arguments, they could not fail to see their motives. Or if they would take time to examine such statistics, they would be amazed at their own simplicity, and would become thoroughly disgusted with such blantant duplicity. Investigation shows the deposits referred to are confined to the New England States, and as a matter of fact belong to the loan associations, speculators and others who are awaiting a chance to invest in farm and other mortgages. This fact is perfectly clear as soon as the actual condition of the working people of that section is known.

The average price for skilled labor in New England is \$1.45 per day without board; the average time they are employed is seven out of twelve months, which amounts to \$162.40 annually. Out of this a family of four persons must be supported,

Families.	Worth.
70	\$2,625,000,000
90	1,025,000,000
180	1,440,000,000
135	968,000,000
360	1,656,000,000
1,755	4,036,000,000
6,000	7,500,000,000
7,000	4,550,000,000
11,000	4,125,000,000
14,000	3,220,000,000
16,500	2,722,000,000
50,000	5,000,000,000
75,000	4,500,000,000
200,000	4,000,000,000
1,000,000	3,500,000,000
2,000,000	4,000,000,000
9,620,000	7,215,000,000
13,002,090	62,082,000,000

Families.	Worth.
182,090	\$43,367,000,000
1,200,000	7,500,000,000
2,500,000	5,000,000,000
9,120,000	6,015,000,000
13,002,090	62,082,000,000

Now let us put them into four great classes:

Families.	Worth.
182,090	\$43,367,000,000
1,200,000	7,500,000,000
2,500,000	5,000,000,000
9,120,000	6,015,000,000
13,002,090	62,082,000,000

These authentic statistics, that have been confirmed whenever put to the test, show that 40,000 persons own one-half the wealth of the United States, while one-sixtieth part of our people own over two-thirds of the entire wealth, and that 250,000 persons own 75 per cent of the United States. This table also shows the unpalatable fact that three-fourths of our families, averaging nearly five persons, are not worth \$660 to the family, while the other one-fourth are worth over \$14,000 to the family.

A little figuring will also show that one-half of our families are worth less than \$200 to the family. Thus we are able to learn that our country is now practically owned by less than one in sixty of our adult male population, and within thirty years, present methods of taxation continuing, the United States will be substantially owned by fifty thousand persons, constituting less than one five hundredth part of our adult male population. With what overwhelming force this demolishes the theory that we have a democratic government.

In 1890 the farmers estimated worth was \$15,000,000,000. From this \$15,000,000,000 we must deduct the mortgages, \$4,000,000,000, this leaves them worth only \$11,000,000,000 out of \$62,000,000,000, while they are 51 per cent of the population.

This table shows which way the cat is jumping, and at which end of the line the poverty exists,

and at the same time it also shows who makes farming pay and to whom we are indebted for this terrible state of affairs. I now come to consider as to the accumulation of the wealth of the country in the hands of the few. Mind you no one of any creed pretends to say that free democratic institutions could exist if the wealth of the country ever is allowed to concentrate in a few hands. Every one agrees upon this point because all agree that nothing but a despotism makes such conditions possible. The whole matter, therefore, turns upon a question of fact. Let us therefore compare our present condition with reference to this vital matter with the present condition of England, the greatest money-grabbing and money concentrating country in Europe. Mullhall is considered by every one as the best authority upon this question. I therefore quote from him in 1887 as follows:

Families.	Worth.
222,500	\$27,781,000,000
1,824,400	9,142,000,000
4,629,100	1,936,000,000
	\$38,853,000,000
Total	\$2,344,460,294

From this table it will be seen that one-thirtieth part of the English people own over two-thirds of the nation's wealth; hence a republican form of government is impossible in that country. To this proposition all agree. With what sublime scorn we have long pointed to these figures, and with what lofty pride we have bidden the enslaved vasals of tyrants look upon our own beloved country where such things not only did not exist, but were made wholly impossible by our republican form of government.

These figures prove conclusively that public taxation is more oppressive, upon our producers than in any monarchy in Europe, and that no other nation is so oppressed by taxation as the United States. We had closed the last avenue that could permit such concentration of wealth, and with what simplicity and abiding faith our people drank in the story and almost deified those statesmen for their great foresight in avoiding such dire shipwreck of our republic. Let us examine for ourselves the facts in reference to this matter, we will in this way learn if our fond hopes are well-founded.

Thomas G. Sherman, in the Forum of November, 1889, gives some startling statistics on this question, which the New York World and St. Louis Republic substantially verify at a later date as follows:

Total amount paid..... 3,578,000,000

In 1889 amount yet due on debt was \$1,693,000,000

Had the debt been contracted to be paid in wheat it would have taken Bushels. in 1866..... 1,007,000,000 We have paid on the principal..... 1,188,000,000 We have paid as interest..... 2,225,000,000 We have paid as premium on bonds..... 50,400,000

Total amount paid..... 3,463,400,000 We yet owe..... 2,156,250,000

Total..... 5,619,650,000 Deducting amount due in 1866..... 1,007,000,000

Amount consumed by interest and payment on principal..... 4,612,650,000

Had debt been contracted to be paid in cotton it would have taken Pounds. in 1867..... 7,092,000,000 We have paid on the principal..... 10,800,000,000 As interest..... 24,620,000,000 As premiums on bonds..... 360,000,000

Total paid..... 35,780,000,000 We yet owe..... 10,930,000,000

Total..... 52,710,000,000 Deduct amount due in 1867..... 7,092,000,000

Amount consumed by interest and payment on principal..... 45,618,000,000

This table shows that this anaconda, called by some the public debt and by others a public blessing, has within twenty-four years consumed one-fourth of all the wheat and over one-third of all the cotton raised within the United States during all these twenty-four years, and we know that the consumption goes on with increasing fury. Herein lies the chief instrument that has been used by our tormentors to make the few richer and richer while it has made all the producers poorer and poorer, and clearly proves that public taxation has been engineered almost exclusively for private profit. Every person who is being thus plundered would like if possible to find out when this wholesale confiscation is going to stop, and what the prospect is for abating this public blessing; let us see:

Debt in 1866, \$2,783,000,000. Debt in 1889, \$1,693,000,000. Products necessary to pay the debt as per Amt. 1866. Amt. 1889. Showing actual increase of prices at that time.

Beef-barrels..... 129,000,000 211,625,000 82,625,000

Pork-barrels..... 87,000,000 141,983,333 54,983,333

Wheat-barrels..... 1,000,000 2,100,000 1,100,000

Oats-barrels..... 3,625,000 5,612,650,000 2,987,316,000

Corn-barrels..... 2,125,000 3,761,000,000 1,636,000,000

Cotton-pounds..... 7,002,000,000 16,920,000,000 9,818,000,000

Coal-tons..... 213,307,000 433,800,000 220,493,000

Ba-iron-ton..... 24,110,000 42,325,000 18,215,000

Thus, my friends, we are brought to face the startling fact that submitting to wholesale confis-

cation of our produce for the exclusive use and profit of a few government pets, for twenty-four years has not satisfied this vulture, but that it has grown twice as big as at first. The principal of the public debt is more than twice as large as in 1866, if paid in the labor of the people. No person that is responsible for their will for a moment pretend that it can or ever will be paid in anything else. Mortgage and all other indebtedness has increased in a like ratio. Thus the work of spoliation for private profit goes, and thus have our republican institutions been subverted and the prosperity of our people destroyed. There is running through this table a string of facts that are very suggestive. In 1866 we had about \$2,000,000,000 in circulation; we then had about 30,000,000 in population. Now we have less than \$1,000,000,000 in circulation, while we have over 60,000,000 population. That is to say, one-fourth as much money per capita in circulation as we had in 1866. We also find that produce of the farm and mine (except gold and silver) has been reduced at least sixty-five per cent in value. Thus we are driven to conclude that reducing the volume of the currency while we were increasing in population and in production has been the prime cause. It further proves that usury, the curse of all nations in all ages, has been made omnipotent to rob by this contraction. Every person knows that it is the price the producer gets for his produce that makes him a slave or a freeman. No one ever saw cheap produce when there was plenty of money in circulation. Neither did any one ever see high produce when money was scarce. Some will say that this is not the case, because all other produce has declined in proportion; hence a man can buy as many yards of cloth or pounds of sugar, etc., with a bushel of wheat or bale of cotton as he ever did.

While this is true, it must be remembered that it is only the product of some other man's labor that is cheaper; and also that nothing is cheap to one producer that is made cheap at the expense of another producer. The public debt, the interest, and principal of all other debts, must be paid in dollars, hence the vital question is, how much produce does it take to buy that dollar. The only answer possible in line with existing facts is that it takes about three times as much produce to buy a dollar in 1890 as it did in 1866. Now every one must admit that we can not have low prices without hard times and low wages. Every one must also know that no country can prosper with low wages. Let India, China, Japan and Italy answer this question, and they do it effectively. Neither did any one ever see hard times when wages were high. The price of wages is entirely governed by the amount of money in circulation; prices for all kinds of produce is now lower than they have been in thirty years, and the prices of farm produce is at the bottom of the list; hence, farmers are suffering worse and more intensely than any other class; this is why so many farmer's boys are leaving the farm and flocking to the cities and towns to engage in speculation. The reason for this demoralizing state of affairs is that during all these years contraction has continued. During the last year, 1889, the circulating medium has been contracted to the tune of about \$60,000,000.

See annual report of the Secretary of the Treasury on the State of the Finances for 1889.

The report of the silver commission is a clincher upon this subject, and should be read carefully by every one. It gives a clear and distinct history of the finances of all nations from the beginning of the Christian era. Our people should be educated upon this vital question, for out of its adjustments must grow our liberty or our slavery. As long as money has the power to oppress it is impossible for the people to be free. This is the key-stone; mystify it as we will, the fact can not be upset that "price is the dictator of civilization," and the civilization of all people keeps pace precisely with the price of labor or its product. Our financiers purposely mystify the people, and solely for the purpose of enslaving them. When asked the cause of hard times they plead overproduction in the fall, and laziness in the spring as the cause. Let us examine this question. In 1867, the wheat crop brought the farmer \$23.05 per acre; in 1889 it brought him \$8.11 per acre. In 1867, the corn crop brought \$18.87; in 1889 it brought \$7.85 per acre. In 1867, the oat crop brought \$16.05 per acre; in 1889 it brought \$7.03 per acre. In 1867, the cotton crop brought \$37.83 per acre; in 1889 it brought \$14.81 per acre. These facts tell a tale not to be misunderstood, and show the fallacy of over-production; also demonstrates the power of money to oppress.

The outcome of this contraction jugglery is that 95% per cent of the business of the country is done by bank checks, drafts, etc., while but one in twelve hundred and forty of our people have a deposit to draw against. This miserable condition as a matter of course makes the twelve hundred and thirty-nine pay tribute to the one, for he will not draw the check except at his own price. We see, therefore, that our financial system has been adjusted to further the ends of speculators and usurers to the manifest impoverishing and ultimate pauperization of the producing class. The speculating and interest receiving class are a very small portion of our people, while their victims, the producers, constitute the great body of our people. By this evidence we know that republican institutions have been subverted. To reinstate democratic government our financial institutions must be so adjusted that its benefits cannot be monopolized by a class which to all intents and purposes becomes privileged, which amounts to a money aristocracy. Now we see clearly that a reform in our financial system is the most necessary of all, before which all other reforms sink into insignificance, and as we all know neither of the prominent political parties offer any hope of a reform in this direction, but to the contrary pursue practically the same financial policy, and utterly ignore the demands of the people in this direction. It is therefore highly appropriate and absolutely indispensable to the prosperity of the people and to the perpetuation of the Government that the members of the Farmers Alliance and Industrial Union, and every other good citizen should assist them bring about this indispensable reform. The effort will relieve us of even the taint of trying to establish a third party, for it can be applied to the party to which each member or individual chooses to act with.

The delegates to the great meeting held in

\$30,000. This will necessitate one additional expenditure of \$30,000,000. That is to say, it will require to carry this plan into full and perfect operation all over the country \$75,000,000—not twice as much as the deferred payments on whisky. The question naturally comes in just here, will this expenditure in any manner impoverish the treasury of the United States. By referring to the last monthly statement of the Treasurer of the United States it will be seen that there is now and has been since 1875 locked up in that treasury \$100,000,000 in gold, and that it has been and is still being held for the purpose of redeeming outstanding United States legal tender notes. By referring to the laws of Congress relating to loans and the currency, we find on page 195 the following enactment:

"That from and after the passage of this act it shall not be lawful to cancel or retire any more of the United States legal tender notes. And when any of said notes may be redeemed or be received into the Treasury under any law from any source whatever and shall belong to the United States, they shall not be retired, cancelled, or destroyed, but they shall be reissued and paid out again and kept in circulation: *Provided*, That nothing herein shall prohibit the cancellation and destruction of mutilated notes and the issue of other notes of like denomination in their stead, as now provided by law."

We see by this act and by the treasury statement that we have locked up in the United States treasury \$100,000,000 in gold that has been lying there idle for fifteen years and a law of Congress enacted three years later saying positively that it never shall be used for the purpose that it is held. The interest upon this money computed at 4% per cent. per annum for the time it has been idle amounts to the enormous sum of \$67,500,000. If any individual were to lock up \$100,000 and hold it idle while he had outstanding notes drawing interest, his heirs would have him arrested and put on trial for lunacy, and if that fact was clearly proven there could not be a court or jury found who would fail to convict him and place his effects in the charge of a guardian.

Those who understand the influence of the bankers' association upon national legislation understand why this \$100,000,000 remains locked up; also, why so many other really as foolish and criminal acts have been passed by Congress. All classes who now enjoy special privileges obtained them by lobbying Congress, and when necessary assumed to represent the farmers and laborers, while they remained at home dumb as oysters, footing all the bills. Now it stands to reason that the farmers, if they desire those wrongs righted, must go to the parties who enacted them, either themselves, or through accredited representatives, and see to it that they are remedied. This our organization has done, and for the first time in the history of the United States has the farmer been so represented. You may rest assured that these representatives are men of honor and intelligence, and will do their duty.

In this way we can use \$75,000,000 of this \$100,000,000 locked up and not rob the people of the use of a dollar. On the contrary we can put it into circulation, give our starving poor work, and at the same time effectually protect the producers of all wealth from the merciless extortions of organized speculators.

Money to build a navy to rot upon the seas is handed out with a lavish hand; it is also proposed to increase the army and mobilize the militia all at the public expense. The Pinkertons have an organized army composed mainly of thugs, that is used to drive American citizens out of the workshops, to make room for foreign paupers imported by our plutocrats in open violation of law. All these signs are ominous. Effete European monarchies keep large standing armies ostensibly for the purpose of watching each other, while every well-informed person knows they are kept for the sole purpose of holding their vassals in subjection. Why imitate their example in this country unless our self-constituted masters aim at the same results? A bill covering these demands will be prepared and introduced in Congress without delay, and if supported by the people with the promptness and unanimity that the times and its merits demand, Congress can not refuse to pass it. In that event great relief will speedily follow, among which may be enumerated the following:

It will place about \$550,000,000 in circulation and in the hands of the people, at an annual cost of \$5,000,000. To get this amount of currency into circulation under present laws the following would be necessary: A national debt of \$610,000,000, upon which to base the issue of national bank currency the interest upon which at 4% per cent amounts to \$27,450,000. This would take the money from the national Treasury, and put it into the vaults of the banks. To get this money from the banks will cost the people at least \$55,000,000 more. The

two together makes \$82,450,000; by deducting amount of interest necessary under our system we find the farmers will save \$76,950,000, not twice as much as the deferred payments on whisky. Besides under our system the rate of fire insurance can, and will be reduced at least one-half the present rate; this will add at least \$20,000,000 to the savings. The economy in handling that will necessarily follow the carrying out of this plan can not add less than \$20,000,000 more.

Again, under the working of this plan the grain raisers will save at the very lowest estimate 10 cents per bushel on every bushel stored; this will add another savings of \$88,681,900, and not raise the prices that producers now pay for it, but on the contrary, the price will be rather reduced. The cotton raisers will save by this system at least 1/2 cent on each pound of lint cotton; this will add \$17,347,000 to the savings and not raise the price to the manufacturer 1 cent on fifty bales. The savings on tobacco, sugar, rice and wool cannot be less than \$8,000,000. All these savings together amount to the enormous sum of \$220,978,900 to the farmers annually. Thus we see that by investing \$75,000,000 in erecting buildings that will last for fifty years or more we will be enabled to save annually in the hands of the producer \$220,978,900 that now goes into the pockets of usurers and speculators.

There can be but two positions for money to occupy in any civilized community. One is that of a servant, the other is that of master. It necessarily follows that to make the people free our finances must be so adjusted as to make the money their servant. To do this the producers must be made the master of the money. This can be done in the way we propose, and it cannot be accomplished by any other method. The carrying out of this demand will confer as many and as rich benefits to every one engaged in any legitimate calling as it does to the farmers. All who are well posted know that more merchants have been ruined by speculating in produce than by anything else. The mercantile business in the agricultural towns have drifted into this unnatural and ruinous attitude by the credit system, this system becoming an imperative necessity by reason of the contraction of the currency. Our system relieves the merchant of this, his worst enemy, because by saving \$220,978,900 to his customers annually, which would soon enable them to pay cash.

The manufacturers under the present system are forced to enter the market and purchase within three months sufficient material to run their machinery the entire year, to prevent speculators from cornering the supply. To be able to purchase such large supplies at one time they are compelled to apply for loans, mortgage their property, pay exorbitant interest, which must be added to the manufactured article. This must, of course, augment the price, which in turn forces under-consumption, which in the end can only enrich the usurer and involve producer, manufacturer and consumer in one common ruin.

This system will relieve the manufacturer of this as well as any other useless expense. Our unexcelled facilities for rapid transportation and instantaneous transmission of intelligence all combine to make the carrying out of this plan the more easy. The manufacturers will not be compelled to buy more than one month's supply ahead, knowing that a sufficient supply can be had at any time. They will not be compelled to borrow large sums of money at exorbitant interest, for the manufacturers will find out at once that the crop will not be sold to speculators, but held for consumption. The eliminating of speculation will enable producers to carry more from the manufacturer; hence self-interest, if nothing more, will make the producer, manufacturer and consumer co-operate in supporting this demand.

It is a well-known fact that the railroads are blocked with freight for about three months during the year by the host now practiced in marketing the crops. Railroads are compelled, in order to hold their trade, to buy large additions to their rolling-stock to stand idle upon the sidings for nine months in the year. This necessitates a large outlay of capital, which of course is added to the freights, and in the end is always charged to the producer. This system will distribute the shipments through the entire year, and enable the railroads to give their employees regular employment; hence it is to the interest of railroads that our system is put in operation.

This system will enable the millions of farmers of the West to purchase thousands of tons of coal from the starving miners of the East, and feed the miner and his family on the corn that speculation now compels them to burn for fuel. What an absurdity to cry over-production when those who raise bread burn it for fuel, while those who dig coal must quit because they can not exchange it for bread. Our system will emancipate the true merchant, manufacturer, farmer, and laborer. That

it benefits the railroads and every other legitimate industry; that the prosperity of our people demands it; that common sense, honesty, and fair play demands it; that every principle of humanity demands it; that the genius of advancing civilization demands it; that the perpetuation of free and just government demands it; that the plan is perfectly feasible; that its cost is insignificant; that its benefits will be enormous; that no more pressing necessity could exist for it; that it will make every industry prosperous; that no one will be injured by it; that no sound reason can be urged against its adoption; for these and many other reasons every prompting of an honest heart demands that we adopt it. Let us align ourselves on the side of right, and forever free our people from the power of money to oppress, and march forward to a new civilization, thereby making our institutions the beacon light of liberty to the oppressed of all nations and make of our people a nation of patriots full of strength, power and prosperity. A country in which every laboring man shall own his own home free from execution, across the threshold of which no usurer, or other tyrant dare pass; let us unite in making our country the land of the free and the home of the brave, where no man is master, where no one is a slave.

The advocates of the beauties of a moneyed aristocracy, and their henchmen to deceive the unwary, will say that our system savors of paternalism. This, like everything else they can urge, is not germane to the subject, but is simply begging the question: I propose to briefly show what paternalism is. If the Czar of Russia was to build a railroad across the Russian Empire for the benefit of his subjects, that would be paternalism, because the Russian government treats the Russian people as we do minors; the Czar is their guardian; the Empire belongs to the Czar; the people belong to him; he commands, they obey, his mandates are the law; this law his subjects must obey; hence, his acts for his people are in effect the acts of a guardian or parent for a child. This is my definition of paternalism.

Another and more dangerous paternalism is for the authorities of any republic to farm out to private enterprise any business in its nature a monopoly and allow it to be ruin for private profit to the detriment of the people, because it is an admission that the people are not capable of conducting their own affairs, but are compelled in consequence of their ignorance to employ some members to conduct it in their own way and to fix their own price for doing it. It will be seen that in both cases the people are recognized as ignorant and incompetent to manage their affairs.

Paternalism then means to rule the people as minors. Nothing more, nothing less; hence bossism. Our system is the exact opposite of paternalism, and is consequently republicanism, and for the following reasons: The genius of our Government recognizes the people as the power; they rule, their officers obey; the country belongs to the people, the officers obey their commands; they are the source of all power, and fully capable of conducting their own affairs; they are men, not minors; rulers, not subjects. Therefore it is the province to see to it that every function of government is conducted so as to secure the liberty and prosperity of the people. The money in the treasury belongs to the whole people, not to a small clique of schemers. It is the duty of the people to direct the investment of that money where it will produce the greatest amount of general prosperity and at the same time contribute most to the perpetuation of our free institutions and happiness of the people. Those who produce all the wealth constitute four-fifths of our population. They have paid every dollar of this money into the treasury with the distinct understanding that it was to be used for the public good; locking it up is robbing the people of their life blood. It is their plain duty to stop this robbery and see to it that every dollar is used for their benefit. Our system enables the producer to escape the robbery of usurious bossism, places the entire system under the people's control, brings the Government into the hands of the people, takes it out of the hands of few plutocrats; hence, anything the people may do for the good of all honest people is democracy. Our system, therefore, instead of being paternalism is pure republicanism.

It will be said that our system savors of socialism. This proposition is simply ridiculous; because socialism, as we understand it, means that society in its organized capacity shall do away with private effort and individual ownership of property. Our system is exactly the opposite, and carries individualism as far as it is possible in a civilized country without entering the realms of anarchy. Our system provides in the most substantial and feasible manner for the successful individual ownership and control of property that has yet been proposed. The carrying out of this system

will in time enable the farmers of America to own in fee simple the farms of America, and allow every laborer to secure a home in America, which will add more to the strength and perpetuity of free government than any other system possibly can.

During the last year about \$68,000,000 more gold and silver was exported from the United States than were imported. This is startling, since we know the balance has been on one side since 1870. This was sent abroad to pay interest on foreign capital invested in farm and other mortgages in the United States. Disguise it as we may this is the true answer. The worst of all, our enslavement in this direction is just beginning, and if something is not done to relieve our people of the necessity of borrowing foreign capital they will speedily become enslaved. They now own and control 151,900,000 acres of American soil, with the amount daily increasing. The daily papers tell us of the wholesale purchase of flouring mills, elevators and breweries. All these facts and indications demand that some speedy remedy be adopted.

Our system is a sure and full remedy against the rapidly approaching condition out of which can only come socialism, anarchy, and national death. Others will say that our system augments governmental patronage, consequently is dangerous and undemocratic. For reply, we propose to elect these agents, and for every one the people elect they will displace three self-appointed ones who hold their place in contempt of the wish of the producer. Others may say these agents may swindle the people and Government by becoming defaulters. For reply we point to the fact that we have about 8,000 bankers, and about 75,000 postmasters and other public officials who handle millions of money, and that there are twenty bankers in Canada to one of the others. Others may say the issuing of so much legal-tender money in circulation will depreciate its value and impair the credit of the Government. Let us see if such an outcome is possible.

In 1889 we exported to foreign countries farm products amounting to \$532,411,490, and that exports are constantly on the increase, which was about 75 per cent of all our exports. These products were paid for in money from the fact that our tariff laws preclude the possibility of our taking their produce in exchange. This is conclusive evidence that those foreigners purchased our farm products under compulsion; this as a matter of course made us the masters of the situation, and that they were compelled to pay us in such kind of money as we chose to receive in payment, and demonstrates that we can do much longer without gold than Europe can without bread. Again, this money loaned through the sub-treasury finds its way back to the Government during that year. This completely prevents the possibility of a superabundance of currency beyond the requirements of a healthy business condition. Now, by these facts we find that the United States is indebted to its agriculturists for its superior credit and commanding position in the financial world, and that if it ever loses that prestige it will be because it protects and promotes usurers and speculators in preference to agriculture. Give the farmers of America an equal chance and they will make America the richest and most powerful nation on earth. Again, every dollar we draw will be more than amply secured by produce that must be used within the year.

If United States bonds are good security for loans, then our wealth is much better security, for, thank God, it takes no law, no stamp of government to put a value upon it; it passes at par wherever a stomach is found. Therefore, like all other objections, this also falls for want of facts to support it.

"Why compel the people to pay interest on government credit through the bank when said credit could be extended direct to the people without interest?"—*Cahoun*.

Just what we desired to do.

"The poor is our dependence for liberty."—*Jefferson*.

This is why we want the sub-treasury system; it will make them prosperous, patriotic citizens, instead of tramps and anarchists.

"Whoever controls the volume of money in any country is absolute master of all industry and commerce."—*James A. Garfield*.

We want the people to rule; they can do it effectively through our sub-treasury system.

"Our only resource; an ample one for any emergency—treasury notes bottomed on taxes."—*Jefferson*.

Precisely in line with our plan.

"All property is at the mercy of the money power."—*Thomas H. Benton*.

Hence we propose to make the power through our system.

"There is gathered around the Capitol of this nation a gang of pirates who thundered success-

fully at the doors until they have driven this Government into the most preposterous acts of bad faith and legalized robbery that ever oppressed a free nation since the dawn of history."—*O. P. Morton*.

To escape the annihilation of our democratic institutions as a sure result of such robbery, our system becomes necessary. It would be useless to bring forward more testimony to make out our case. Enough has been said and proved to fully establish every reason why our system should be promptly supported by every lover of justice and humanity; and if it is supported with such unanimity and determination that the circumstances and its merits demand, it will soon become the law of this nation. All earthly power by the fiat of God has been placed in the hands of the people, and nothing under heaven can wrench it from them when they choose to exercise it. With such a cause, any one who would falter should be disowned by his family and by his countrymen, for the heart of a Judas is within him and the mark of Cain should be upon him.

Our system is a sure and full remedy against the struggle for liberty has begun. Those who are not openly for us are secretly against us. "By their works ye shall know them." The promoters of this plan know no north, no south, no east, no west. They know only that Americans are being enslaved, and that they shall be made free men. The remedy we offer is adequate to every need; it is the true remedy, and one that will relieve the oppressed and is therefore worthy an important place in the petitions of all good people to a throne of grace. It is a remedy so grand in its conception, so beneficent in its results, that it will take years of discussion from the rostrum and through the press to begin to comprehend the benefits that belong to it. It is broad enough, strong enough and high enough for every patriot to stand upon and battle for the rights, liberty and happiness of his family and for mankind. Be not deceived by beguiling words or deceitful faces. Those who have so skilfully planned our destruction and so skillfully deceived our people will never desist. Their fertile brains will plot night and day, their ready hands continually labor to defeat the movement; every catchword that can be coined into English will be launched against us. Our ablest and most trusted leaders will be traduced and their motives impugned. They will be called demagogues seeking their own advancement instead of the good of the people. Here and upon this ground their strongest fight will be made, for here is their only hope of success. United we are invincible, divided we must suffer defeat. To divide is their only hope to enslave us.

The war is upon us. The strongholds of usury have been defied; a struggle is beginning that will try the souls of men, test their loyalty to freedom, justice and the right to succeed. We must be united. Liberty or serfdom hangs trembling in the balance. Liberty is before us—slavery behind us. If we would be free we must pay the price. Push forward over every obstacle and secure our goal, by our own efforts. Be ready to encounter deceit, malice, scorn, hate, and all manner of persecution. Meet it all like men worthy to be free, and God has ordained that we shall succeed.

The NATIONAL ECONOMIST, at the command of the supreme council, has stepped squarely upon this platform, and as the unanimously elected standard bearer in the great opening struggle has unfurled our banner, bid defiance to all who oppose us, and cheers the brave and true in the darkest hour of the coming struggle by its weekly visits, brim full of good and solid reasons that will nerve every arm to secure a victory and upset the schemes of our enemies.

It's the Way They Do.

The Farmer and Scottish Chief (Fayetteville, N. C.) publishes an article from a correspondent, W. J. G., on a pertinent matter, under the caption "They All Sing the Same Song;"

It's an interesting question to know when the farmers, mechanics and other small taxpayers are to have a hearing before "the ways and means committee." The big tax receivers in the favored manufacturing guilds have been accorded most patient and respectful consideration by that august body of tax imposers, and with a single exception, I believe, they all sing the same song, the burden of which is increase instead of diminution of legal robbery, under the thin, pitiful, lying pretext that the demand is made at his lectures.

Like the horse leech's cry for blood, their's is protection! protection! protection! Yes, protect yourselves, ye thieving nabobs, into more than ducal fortunes, and to build them up protect the great majority of toiling millions out of house and home. You are hard to satisfy, if after thirty thousand of you have absorbed more than half the wealth of sixty odd millions of people, you insist upon the screws being turned once more upon the starving masses. Will naught less than absolute proprietary control of the whole satisfy you manufacturing lords?

Gentlemen of the committee, ye of the controlling majority, let not your extreme solicitude for your pampered pets, blind you to the fact that "there is a limit beyond which, etc. Hearken to a secret: The millions are growing restive under tributary control of government sanction of the unit. Think twice, and listen to the voice of natural justice instead of the plaintive plea and syren song of mine owners and mill owners, and their bonded confederates running through the whole gamut of factory control, as you are now doing. The *ex parte* statements of interested rogues will not shield you at a higher bar than yours, to which you are accountable, for your respective formulation of a new tax bill. From your considerate selection of witnesses, the people have but little to hope for in the way of relief in that ominous document by you to be submitted.

Perhaps you are not aware, "most grave, potent and reverend signors," that there is now an organized body of near three millions of tax payers in this good land of ours, and that they are debasing economic problems, foremost of which is: "why tax one's self for the benefit of another?" "School is taken in," and a mighty big school it is, and the schoolmaster's abroad. I trust you'll take my meaning.

OFFICIAL.

OFFICE PRES. OF THE N. F. A. AND I. U., WASHINGTON, D. C., January 16, 1890.

Appointments for the National Lecturer of the N. F. A. and I. U.:

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

Louisiana, February 1st to 15th. Texas, 22d February to 15th March. Arkansas, 17th March to 31st March. Kentucky, 2d April to 16th April. Indiana, 18th April to 2d May. Wisconsin, 6th May to 20th May. Dakota, 23d May to 10th June. Nebraska, 12th June to 24th June. Colorado, 26th June to 10th July. New Mexico, 12th July to 19th July. Indian Territory, 22d July to 30th July. Missouri, 2d August to 16th August.

The President of the N. F. A. and I. U. in each of the above-named States, is respectfully requested to arrange and publish appointments in his State for the Lecturer, in conformity with the dates above named, so as to enable him to deliver an address every other day during the time allotted to his State, and to forward the list of such appointments to this office. As it is impracticable for the Lecturer to make an extended canvass of any one State, it is hoped that such points may be selected, and such publicity given, as will secure the largest attendance of the members. Especially is it desirable and important that State, county, and subordinate officers and lecturers be present at his lectures.

L. E. POLK,
Pres. N. F. A

The National Economist

OFFICIAL ORGAN OF THE NATIONAL FARMERS

ALLIANCE AND INDUSTRIAL UNION.

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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 at their contracts.

The Farmers Associations that THE NATIONAL ECONOMIST represents as their national official organ now contain a membership of over one million, and by means of organization and consolidation they expect to number two millions by January 1, 1890.

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THE NATIONAL ECONOMIST,

WASHINGTON, D. C.

ENTERED AT THE POST-OFFICE AT WASHINGTON, D. C., AS

SECOND-CLASS MAIL MATTER.

THE State meeting of the Farmers Mutual Benefit Association will be held in Centralia, Ill., on the first Tuesday in February, the 4th.

ORGANIZATION.

Organization is now the order of the day. It is the motive power that rules and guides the world. Without it the best of causes will not succeed, while with it the worst cause may, for a time succeed. In the great struggle of life, as society is now constituted, organized evil must be met with organized good, organized greed with organized equity. In the combination of kindred forces lies the astonishing results of modern undertakings. For example, a mine has been discovered. Despotic sovereigns who, in other ages would have commanded their subjects to develop its value and report have passed away. Another method has been adopted instead, more intelligent, more practical, more potent, and far more effective. Surveys are made; specimens are obtained, and every thread of information gathered, and the whole studied carefully and earnestly. When conclusions are reached, persons who will listen are called together and the whole plan thoroughly discussed. Usually an organization is formed, and the work of developing begun. Perhaps any single member of the organization could carry on the enterprise alone, but that would not answer the purpose. Individual enterprises are at a discount in the commercial world for many reasons. The individual may die, and the whole business pass necessarily into the hands of those less competent to direct; or the individual may make a false move and thereby jeopardize the entire venture through an error in his single judgment; or again, he may fall under the influence of bad habits, and wreck the business through neglect or fast living. All these contingencies are impossible with an organization properly constituted. Members of the organization may die, but the organization continues. The aggregate business intelligence of the whole membership is used, and not the single ideas of one. Organizations go on, live on, gathering experience which is stored up, gathering special information which is safely put away, increasing in

wealth which the outside world has no knowledge of, using its power when least expected, and for objects that require years of patient waiting and calculation to perfect and mature. These considerations not only recommend a system of organization to all progressive minds, but make them absolutely necessary for success in modern business. One thing is certain, organization as a factor of our modern civilization has come to stay. It can not be eliminated, but may be to a more or less extent confined in its operation within legitimate bounds. Its benefits will be sought under all conditions and by all classes of people, and those who ignore its power or underestimate its strength are sure to have cause for regret in the end. The farmers are the only class who have not availed themselves of the full benefit of organization. There seems to be among them a disposition to keep out of organizations themselves, and find fault with others who join. This comes through want of proper education upon that subject. If the farmers of America would organize as intelligently and solidly as the Standard Oil Company has, and then use the power of such organization as unscrupulously, they would in a few years become the dictators of the world. Nothing could withstand their power. Of course the Alliance and other similar organizations are doing a great work in this line of education, but there remains so much yet to be accomplished that the attempt looks almost hopeless, even to many who have long been in the movement. This difficulty of organization among farmers is not wholly confined to a want of information, but shows itself in neighborhood factions of numerous kinds, individual or local jealousies, family or political differences, and a multitude of other insignificant but annoying obstructions that have to be avoided, smoothed over or settled. These are never met with among men who organize from a business standpoint. The farmers, as a class, have been betrayed in almost everything with a regularity truly astonishing. A delegation of one hundred intelligent, strong-minded, conservative farmers at the national Capitol, determined upon bettering the condition of their class, would be irresistible. There is a certain something that accompanies honesty of purpose that paralyzes corruption when brought in contact. Such a delegation could come here, and grand results would follow; but it will come only through organization. That alone will make these conditions possible, and that alone will save the farmer and his vocation from complete destruction. Is it not, therefore, the duty of every farmer to at once become identified with some organization, and make common cause against the oppression under which he is now suffering? Let the farmers of the United States organize; stand together; demand better laws; easier conditions, and more liberty. If the present Congress will not act upon measures of relief, put in men who will. The power to do these things is with the farmers. Let them do it wisely, but firmly.

THE SITUATION.

United States bonds, due in 1907, and bearing but 4 per cent interest, are selling at 127 $\frac{1}{4}$ cents on the dollar, or at a premium of 27 $\frac{1}{4}$ per cent. At the same time a mortgage for one-third of its assessed valuation, on good farming lands, located in almost any State of the Union, bearing 4 per cent interest, and due in five years, would have to sell for less than 75 cents on the dollar, or at a discount of fully 25 per cent. A farm mortgage due in 1907 could hardly be negotiated at any rate of interest. Here is an apparent difference of 52 $\frac{1}{4}$ per cent in favor of bond securities. But when reckoned at the rate of about 2 $\frac{3}{4}$ per cent per annum, which a 4 per cent bond at this high premium brings, it amounts to much more. This is substantial evidence that our moneyed men had rather take 2 $\frac{3}{4}$ per cent per annum from Government bonds than 4 per cent from farm mortgages by about 67 per cent. Surely there is considerable odds against farm securities in this statement. There must be a well-grounded reason for such a difference. Men who loan money are the most greedy class of our citizens. To pass by 8 to 20 per cent and take up with less than 3 is in violation of the teachings of their profession. The plain, simple reason for such action is this: The payment of the interest and principal of the bonds is guaranteed by the taxing power of the Government, while the payment of the mortgage and its interest depends entirely upon the success of agricultural industry. This is the only argument that will account for these unnatural conditions. Money is loaned at less rates upon city property, railroad stocks, manufacturing shares, or almost any other species of security than farm property. Coming as it were from every point of the financial compass, is it not fair to conclude that in the judgment of financiers the agricultural interests of this country are doomed? Does it not indicate the complete abandonment of the farmer to that fate which the financial policy of this nation has so fittingly prepared him? The farmers of this country, to all intents and purposes, have been abandoned by both Government and plutocrats to their Creator, the tax-gatherer and themselves. Their calling has been pronounced a failure, their credit repudiated, and they are told in the plainest possible terms to work out their own salvation. Without a representative in either house of Congress, or a friend in either department of the Government—ignored by the courts and betrayed at every turn—what will be the future of the farmer if no change occur?

The last hope lies in organization, in preparing to meet organized guile with organized truth. The Farmers Alliance and Industrial Union presents the opportunity. Do not miss it. Join at once, and make the last fight for justice and liberty.

RECENT advices from England indicate that the bank of England is about to exercise its right, never before acted upon, to use silver to the extent of one-third of its reserves, and issue £1 notes in silver certificates against it. It is further claimed that

RAILWAYS.

Their Uses and Abuses,

AND THEIR EFFECT UPON REPUBLICAN INSTITUTIONS AND PRODUCTIVE INDUSTRIES.

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

NO. 40.

THE PURPOSE OF THE COMBINATIONS.

What is the purpose and object of the combinations which were described in the preceding article? The question is necessary at this juncture, because a large number of purposes and objects have been advanced concerning the organizations adopted especially in railway practice by the leading advocates and representatives of the combination system. To use the mildest term, some of these allegations are calculated to produce confusion and misapprehension in the public mind concerning the purpose of the combination. Whether that effect is intentional or not it is worth while, in endeavoring to obtain a clear idea of the main purpose of the combination, to examine the allegations and find out how far they are justified by the facts.

One of the leading examples of this sort of allegations was furnished by Mr. Albert Fink, in his testimony before the Senate investigating committee in the early part of the decade, as well as in other documents bearing upon the subject of pooling when brought to public investigation. "The principal objects of the associations," said Mr. Fink before the Senate committee in 1883, "is to establish equitable and uniform tariff over the roads represented on the committee, as far as their competitive tariff is concerned." And again he said, in the same connection, "It would not do for many companies to operate each road separately from the others. They have to arrange with each other to form connections, to establish through lines of transportation, and tariffs for such through lines. It is a very complicated question to make these tariffs uniform on many competing lines, and to arrange them so that they bear equally upon different localities and avoid unjust discriminations." The same, or a closely related allegation, was made by Mr. Fink in his letter to the New York commission in 1885 with regard to the association, as follows: "They issue through bills of lading and make all proper arrangements for the transfer of the freight from one road to another, for settling the freight charges of each road, and adjusting all legitimate claims for loss or damage accruing on any part of the route." So far as these extracts from Mr. Fink's deliverances upon the subject show, they make it appear that the leading purposes of the combination are the establishment of equitable and uniform tariff, and the improvement of the arrangements for through shipment and bills of lading for freight carried over long distances.

The variation from Mr. Fink's statement, made by Mr. Alexander in his pamphlet on

"Railway Practice," has the advantage of paying a little more respect to the salient facts in the history of the case. This is noticed with reference to his prolonged argument that competition is the cause of all the abuse and evils of railway practice, which has been thoroughly refuted in the preceding articles. But having taken that ground, it shows more disposition to keep the theoretical view in some relation to the facts with regard to the development of combinations to represent them, as Mr. Alexander does, in the light of organized efforts for "removing the temptation to give rebates" by lessening or obstructing competition. This enables the theory to recognize the history of combination sufficiently to state that the earliest efforts at combination were merely arguments to sustain certain fixed rates, and at the same time to maintain the representation that they were "relied upon entirely to secure uniformity and publicity of rates in competing business." Having stated the fact that experience showed such arguments where there were more than two or three competitors to be mere "ropes of sand," this writer proceeds to represent the pools as more effectual and permanent organizations, viewed almost exclusively for their function of preventing discriminations by trifling the competition which in his theory is the productive cause of the discrimination. Having made it a part of the argument that the railway war which preceded the adoption of the pooling system were the cause of the Standard Oil monopoly, Mr. Alexander proceeds to allege that experience with the pools shows that their tendency at least is to prevent discriminations, and concludes his statement of the purpose and object of pooling with the assertion: "It is certainly clear then that the pooling system at least greatly palliates the evils of discrimination and rebates."

Another very recent and very prominent representative of the combination system in railway practise is Mr. A. F. Walker, who graduated from the Interstate Commerce Commission to take a place as the official head of a very large railway association. In his very recent pamphlet on the subject of "Railway Associations," he bases the necessity of those organizations upon a somewhat detailed statement of the need for through rates which requires the different companies to act together, of the division between the various carriers of the payment for the through transportation, of the uniformity of classification, through billing of freight and through tickets for passengers. With regard to pooling, Mr. Walker must be recognized as stating more correctly the leading distinctive function of that method of combination by saying that they "in addition to the apportionment between competing lines, of earnings derived from competitive traffic, performed many other important functions in making necessary arrangements of all kinds under which traffic might be systematically conducted." Beyond this recog-

nition of the unification and apportionment of competitive traffic as the leading object of pools, Mr. Walker brings out one significant and vital distinction of which other writers who allege the necessity of combination to establish through rates wholly lose sight, that between joint traffic and competitive traffic. He discusses at length the various considerations affecting the establishment of joint traffic, in which two or more railroads combine to carry freight between two points which can only be reached by connecting their various lines, and the regulation of rates on competitive traffic in which two or more railroads are carrying freight between the same points. But he does not clearly bring out the vital fact that two wholly different classes of combination are required for the association of competing lines for the regulation of competitive traffic, and the association of connecting lines on joint or through traffic. Having failed to make this necessary distinction, it is natural that he should also fail to perceive the no less important fact that combination for the better discharge of joint traffic *per se* is inspired by competition, while combination for the control of competitive traffic is inspired by the desire to get rid of competition.

Mr. Walker has a certain justification in presenting this view of the purposes and results of the railway combinations, from the fact that the organization over which he presides, being restrained by the Interstate Commerce law from any more concentrated form of combination than a mere personal agreement, has never been able to accomplish much more than the adjustment of through rates; the establishment of uniform classification, and the other purposes of combined action for the best discharge of joint traffic.

But with regard to the purposes of railway combination as a whole, it must be set as among the confusing if not confused statements of those motives when Mr. Walker presents them on page 7 as intended to carry out the provisions of the Interstate Commerce law—which allegation as bearing upon Mr. Walker's own organization may become a fruitful subject of future investigation.

It is not intended to assert that these gentlemen, in their discussion of railway combinations, assert that the objects which are alleged to be the leading objects of combination are the only ones. On the contrary, each of them, after bringing in his especial explanation of the controlling motive, gets down to the common ground occupied by all apologists for the combination system, that if competition is left free and unrestrained it will ruin the corporations, and that to avert the widespread disaster and ruin of the demoralizing competition, the combinations must be permitted which will keep that destructive force from the railway interest.

After considering defenses of the pooling system which start out by alleging these varied pretexts as an excuse for the combinations, with the uniform background of opposition to competition in the secondary position, it is refreshing to cite one writer on the subject who has the frankness and sincerity to put the real motive in its proper and leading place. While I shall undertake the task of attacking and refuting Prof. A. T.

pay expenses" as a reason for the artificial maintenance of rates. Mr. J. H. Devereux, a leading railway president, declared before the same committee: "A competition that is wholly unrestrained will work in these matters a harvest of general disaster. Liberty is not license. Competition may not be limitless. * * Nor is competition to be permitted to run amuck in the destruction of vested capital." Mr. Alexander's conviction that "unrestrained competition means bankruptcy to railroads and loss to investors" has already been quoted, and his conclusion is, that "until some practical plan of restraining competition within reasonable limits is devised, pooling must be resorted to as the only refuge from immediate and greater evils." Mr. Walker declares: "To turn loose upon the same field several wealthy corporations with the requirement that they shall forever compete, and that under no circumstances shall concerted action be allowed, would presently result in the extinction of one or more of them." While this common ground is stated with more or less emphasis by them all, the allegations as to the purpose of pooling or combinations which have been quoted, are those with which each gentleman introduces his subject, and makes, apparently, the leading purpose and inspiring motive of the railroad combinations.

With regard to the accuracy of these representations, it may be pertinent to point out that although there is some variation between these advocates of the pooling system as to the leading motive for the combination, they all have in the background a position on which they are in the fullest harmony. Mr. Fink says that the pools exist for the purpose of establishing equitable and uniform tariffs, and to provide through rates and bills of lading. Mr. Alexander says that their aim is the prevention of discriminations.

Mr. Walker coincides with Mr. Fink sufficiently to allege the function of establishing through rates, with the added one of enforcing the Interstate Commerce law. But all of them, after giving their respective theories as to the object in life of the railway associations, come down to the common foundation of their earnest belief that the one enemy which will work ruin and destruction to the corporate system is competition; that for the preservation of corporate interests from disaster, competition must be placed under bonds; and that the pools, trusts or agreements are the only means of accomplishing that work of necessary self-preservation.

After considering defenses of the pooling system which start out by alleging these varied pretexts as an excuse for the combinations, with the uniform background of opposition to competition in the secondary position, it is refreshing to cite one writer on the subject who has the frankness and sincerity to put the real motive in its proper and leading place. While I shall undertake the task of attacking and refuting Prof. A. T.

Hadley's position in regard to the necessity and propriety of combinations, it is a pleasure to recognize in an antagonist either the clearness of perception or the frankness of statement which permits the issue to be joined clearly by stating the primary motive in its proper place, and by avoiding the temptation to confuse and cloud the question with allegations as primary motives of those which are really secondary and incidental. The motive for pooling which the other advocates of the system put in the second place and bring in almost as an afterthought, Prof. Hadley states to be the real purpose. By an argument, which we will notice in detail in the future, he takes the position that in the case of industries with "large permanent investment and large fixed charges," like railways and factories, competition will not stop at the point of cost of production or service, but will go on to lengths which produce bankruptcy and ruin to the investor and commercial crises. From that premise he argues that "if competition is ruinous to all parties, all parties must stop competing." This he correctly and frankly states to be introducing the principle of monopoly, determining prices, "not in open market, but by agreement among all the sellers." For the purpose of accomplishing this result he states that the combinations exist in the various forms reviewed in the preceding articles. Thus the purpose of the agreements to maintain set and arbitrary prices, to divide territory, to divide traffic, to divide ownership, and finally to combine control, are shown by Prof. Hadley to have one common and over-ruled purpose, namely, that that of establishing more or less permanent and complete monopolies by means of obstructing or smothering the competition which this writer in common with all the others declares to be destructive and ruinous.

That Prof. Hadley's statement of the main purpose of the combinations is the true one appears clearly enough from the nature of these organizations; but before proceeding to consider that conclusive element in the case it is well enough to take the evidence afforded by these statements of the leading advocates of the system. Among the former five gentlemen whose expressions we have quoted there is some variation as to the motive which is primarily alleged as furnishing the right of the combinations to exist. None of them agree exactly as to the first and original purpose in their statements of the case; but upon one thing that is to be accomplished by the pools they are in full harmony, namely, the necessity and wisdom of restraining competition by means of the combinations. Which is to be taken as the real object of the pools, those motives and purposes concerning which its advocates vary in their statements, or that one upon which they are all agreed? The inference is conclusive from the arguments, even of those representatives of the system who have introduced misleading pretexts and ex-

cuses for the existence of the pools, that the real object of their being is to relieve the combined interests from the full action of competition and to substitute the partial or complete operation of the principle of monopoly. I do not accuse the advocates of competition of directly denying that the pools are intended to prevent competition, although some of the advocates of pooling have come close to that disingenuous position by arguing that pooling has, after all, done very little to restrain competition. That may be admitted as a question of fact, until we come to examine it in connection with the history of the pools. But that has little to do with the question of determining their public character so far as it turns on what they aim to do. What is actually accomplished by an effort, either for good or bad, may be very slight, but its character is determined beyond question by what it tries to accomplish. Whether consciously or not the false logic of those who seek to represent the combinations which have been described as not having the object of suppressing competition, because so far they have failed to attain that end, and of those who allege minor and incidental objects, tends to confuse and mislead the public apprehension of the question.

It is necessary to clear away all such misapprehensions at the start. Other forms of joint action between corporations and competitors might have the legitimate and praiseworthy purposes which are alleged by Messrs. Fink, Alexander and Walker, as the leading ones of the railway. But in determining the distinctive and characteristic objects of these combinations, classified broadly under the head of agreements to sustain rates, to divide territory, to pool traffic or earnings, and to form combinations of ownership, we must select that purpose which their form and character makes peculiar to them. The first step in settling that question is reached by the conclusion from the foregoing citations, as follows:

The practical agreement, even of those who allege other objects as the chief ones aimed at by railroad combinations, with those who do not, shows the principal and controlling purpose of the combinations we have described, to be the suppression of competition.

Almost With Us.

Indianapolis Leader (Indianapolis, Indiana) suggests the following plan:

Let us hope the day has forever passed when an interest-bearing debt is possible on the part of our Nation, and that in the near future the decision of the Supreme Court in favor of the issue by Congress of full legal tender paper money equal to the demand of the people, shall be the established policy. Why should there be any debt longer than its payment is possible, when the power to supplement existing money is unlimited? Is there a doubt of the need of that which represents value, when a bill of any kind is to be paid? Why not put your hand in your pocket and hand over that which represents all values, rather than give some other evidence of

indebtedness which increases by interest? If the present administration should signalize itself by giving such currency reform as will enable each State to obtain from the Nation, and each county from its State, and each municipality, corporation or individual from the county, the necessary money to do business cash, so that with coinage free and not forced, with one uniform paper currency exchangeable for everything, the public debt extinguished, and a representative of all values in sufficient volume for all the wants of business, accessible to all, so that the interest of say 1 per cent paid by the State to the Nation, and 2 per cent paid by the county to the State, and 3 per cent paid by those who obtain it from the county, would, after paying necessary expense, accrue to the people themselves instead of as now to individuals and corporations, whose already plethoric coffers are a constant menace to business and the public weal; it would make to itself a monument that would be immortal.

That monument will never be built; but the article above shows that you are but one remove from the sub-treasury plan adopted at the St. Louis meeting. Read it carefully and give it that support which your paper could so ably render. The propositions laid down in that plan are founded on plain financial sense, with due regard for the rights of all. It is simple, without complicated rules or regulations; has been successfully operated, and is therefore no untried theory.

It is worthy of a candid, earnest examination from all those who hope to see the condition of the people improved. When such a system is proposed, it is the duty of all true reformers to give it a respectful hearing, and ascertain if there is not something in it that will be a benefit to humanity. The sub-treasury plan asks for such recognition, and hopes and believes it will be granted.

In a recent report of the railroad commission for the State of New York the following paragraph occurs:

A railroad cannot be built without the State delegating to its promoters the highest power it possesses over property—the right of eminent domain—the right to take private property for public uses. The State itself never exercises this sovereign power except in cases of public necessity. Why should it thus delegate it to any thirteen men to exercise for mere private gain, frequently at the expense of vested rights and grave public interests?

This question has been asked by nearly every one of our citizens, and the inquiry began long years ago. It seems absurd for this commission at this late day to repeat the question. The railroads have answered the people's inquiries by asking what they proposed to do about it? If this and all other similar commissions would spend a little time in devising the means of recovering these rights from the railroads they would be of some use to the people; as it is, they stand in the way of better methods and should be dissolved.

St. Louis Columbian Advocate makes this statement:

If Secretary Wuidom should succeed in carrying out his fiscal plan it would be a grand time for the money kings, but a sad day for the farmers, laborers and other occupations of the country.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

IRON.

Iron plays a very important part in the life work of the higher organisms especially, and hence we must find its universal distribution provided for in nature, and being non-combustible, we must find it invariably present in the ashes of plants. If found in the blood of animals, it must pre-exist in their food. It is very difficult to find any ordinary mineral free of iron, yet it is very seldom seen in the pure metallic state, except when of meteoric origin. It comes to us in the form of a pure metal in such meteoric masses as pass our atmosphere unburned, and find lodgment on the surface of the earth. From the great unknown it brings no legible message as to its ultimate origin, or the function it performed in the place whence it came. This, however, we may infer, viz: that in that place there is no oxygen, and hence, no life. In our world, except these visiting meteorites, we perhaps possess no native iron, except in combination with oxygen, sulphur, carbon, phosphorus, arsenic, and other elements. As a constituent of rocks, clays, soils, sands, and of many natural waters, it is abundantly brought within reach of plants. Precisely in what way it enters as a factor into the nutritive processes of plants has not been with certainty determined.

In the higher animals obviously the oxygen carrying capacity of the blood is very largely influenced by iron, and it therefore is leading factor in those respiratory changes upon which life so momentarily depends at all stages of existence. All the details of the general plan whereby the plant is made purveyor to the animal fill the well-balanced mind with admiration and wonder. As we follow up and reflect upon these details we see clearly that it is no mere figure of speech, but a simple truth, that physical man is derived from the ground and destined to return to it in common with every beast. The true proanthropos is not a monkey, but none other than our dear old mother earth. "Or ever the golden bowl be broken, or the silver chord be loosed, or the pitcher be broken at the fountain, the dust shall return to the earth as it was." We have now presented for the consideration of our readers that group of elements which collectively compose protoplasm or the simplest form of living matter, and from which all organs and parts of every living organism are elaborated by physiological forces peculiar to the living organism; forces which do not obey, but do dominate the laws of physics and of chemistry, and whose own laws have evaded all the searching inquiries of the most powerful of human intellects concentrated upon their investigation. To the scientific agricultural scholar this great group of elements furnish an ample field for life-long study and reflection. Without a comprehensive knowledge of them in all their relations to each other, to other elements, to the universe, and to that great mystery of the universe organic life, no man can be a truly scientific scholar. A complete and exhaustive knowledge of the alimentary materials of plants is the essential foundation of all scientific attainment in the theory and practice of agriculture. We recommend this group of elements as a special subject of study to all who are charged with the duty of teaching the theory and practice of scientific agriculture in our colleges. Finally, to all who wish to master

agriculture as a learned profession, and not merely to pursue it as a matter of handicraft drudgery, bringing a man down to the intellectual level of a mule, and barely, or not yielding him bread. Shame upon our universities! that they are unable to recognize this great science of agriculture; ignorant of it, unable to teach it, they continue to ignore it.

THE FORE LEG OF THE HORSE.

In his remarks upon the fore leg of the horse Mr. Zonalt has given one of the best pieces of descriptive anatomy ever written. The average horse writer of the period tells us that if a horse has the right kind of driving power in his hind leg, just so that he can manage to get his fore leg out of the way, nothing more is required of that part. The slang of the trotting track appears to have influenced the views even of intelligent horsemen. To them we commend Mr. Zonalt's remarks as worthy of careful study. There are to-day far too many weak-shouldered, lean-necked, sprung-kneed brutes capable of a fast mile, or perhaps a phenomenal quarter-stretch display of mere speed. Even to enable them to accomplish such a rather contemptible feat the track must be in perfect condition, the weather just right, the sulky a mere spider, the driver a feather-weight. In all four-legged creatures the mode of attachment of the fore and hind legs to the trunk is judicially different. The union of the hind leg to the trunk is boney; that of the fore leg muscular only. The upper bone of the hind leg is strongly imbedded into the bone of the haunch by means of a ball and socket joint, which makes a rigid, inflexible connection, save as to the motion of the ball formed by the head of the thigh bone within the closely fitting socket formed for its reception in the pectoral bone. The so-called blade bone of the shoulder, with which the upper bone of the leg is pointed, is not attached to the trunk by any bony connection, but only lashed to it as it were by muscular bands and slags. By such muscular bands and slags is the weight of the trunk swung and sustained between the two fore legs. Inasmuch as in running the shock of the rapidly bounding weight of the trunk with its momentum added is received with each leap entirely by the anterior link, it is plain that a rigid bony union with the trunk would never withstand without injury or even fracture such a succession of tremendous concussions. On the other hand, if in the hind leg there was this very mobile attachment to the trunk, it is very clear that the propelling power of the limb must be greatly diminished. Here there is displayed in this anatomy a complete adaptation of means to end. If this adaptation was complete in the earliest mammalia it is a plan and purpose evident. If the result of a gradual adaptation by natural selection and survival of the fittest, when are the converging anatomical lines of forms leading to or toward a common prototype? In the earliest mammalia there is a different or less complete adaptation to the necessities of rapid progression? Not so, but on the contrary, just the reverse. Take things as we find them, is not the part which bears the greatest strain the most important part? Is not the foreleg, and especially the shoulder, that part? No good horseman will overlook weak or ill-placed fore legs and shoulders of all animals; those defects will be fatal to the usefulness of the horse. No horse with weak shoulders, or shoulders upright in position, cramped in action, or loose and flabby in texture and appearance will be safe to

ride, or fit for draught. No such animal can endure service at either a slow or fast gait. A lameness in the shoulder is excessively disabling to any four footed creature, far more so than a leg or foot lameness. An animal shot in the shoulder is often more instantaneously and effectually disabled than if shot through the heart. If the great bony attachments of the tremendous muscular masses that move the fore-leg and fix the shoulder as its fulcrum are broken up, the weight of the leg and its eccentric movements acting on the disjointed parts with powerful leverage, produce a tension and pain which no animal can bear. Those who have witnessed the utter disablement of a horse shot through the shoulder, and will compare this with the vigorous exertion one makes with one fore-foot tied up, *a la Barty*, will find in the comparison a most striking object lesson gainsaying forcibly the notion that the fore-leg is only something to be got out of the way when the hind legs are sending the horse along. We must close this sketch by suggesting certain correlations of which the shoulder is so to speak the focal point in the horse, and equally in other quadruped forms. Weak, upright shoulders are almost invariably associated with flat ribs; small chest capacity; weak, thin fore-arm; long, ill-shaped, weak legs; bad ankles, and flat feet, with a loose neck; a big, coarse, bony head; (often a roman nose); narrow between the eyes, showing lack of brains. That sort of a horse will be a fool, and because a fool, a coward. A horse which is a cowardly fool, is always vexatious, and under some circumstances very surely dangerous. If the inexperienced horseman has a horse like that—narrow between the eyes, and a small, lack lustre, or beady bright eye, sell him. If any horse-dealer wants to sell him such an animal don't buy him. If a dealer shows you a horse with thin, weak shoulders look for the correlated defects. Ten to one he has a roman nose.

HEREDITY OF ACQUIRED CHARACTERS.

The transmission of the acquired characters of progenitors to their offspring is a subject, the bearings of which are very complex and vast. It is not only physical, but also physical traits which are so transmitted. This fact is equally true of mankind, and of the inferior animals. In the plant kingdom, and perhaps in the lowest animal organisms, there are no physical characters to transmit, but all improvement in agricultural and cultivated plants consists in the accumulation by hereditary transmission of acquired characters. Experience in the management of such accumulative heredity constitutes a great part of the skill of the seedsmen, the nurserymen, the florist, the horticulturist, no less than of the scientific breeder of live stock. An animal which by silly teasing or brutal maltreatment develops dangerous ferocity is very nearly certain to transmit this evil to a large percentage of its offspring. In this manner the folly, the cruelty, and thoughtlessness of some hired man about a farm-yard may result ultimately in serious loss, injury, or even death to persons ignorant of the very existence of such a foolish and brutal fellow. But there is another view of this matter far more serious and far more melancholy. We refer to the responsibility of human parents concerning the hereditary influences which they pass down to posterity. There is no form of self-indulgence, there is no form of self-abuse, there is no vice, however secret and well-concealed from the view of contemporaries, but which may be made manifest in the disgrace, the deformity, phy-

sical or moral, the disease, bodily or physical, of a son, a daughter, or of the child or children of sons and daughters unto the third and fourth generation, or until extinction and oblivion cover the name. In this manner the dram-drinker whose boast is that he was never seen drunk, transmits to his children the evil inheritance of an hysterical or insane temperament, and they are recognizable by experts as among the defective classes, drunken and brutish, mentally weak, and morally depraved; actually insane. We will not attempt to develop this subject at this time. To witness the fearful evil thus inflicted might break a heart of stone. In agony of despair, feeling the curse of outcast Cain, well might such an one exclaim, my God! my God! my punishment is greater than I can bear.

THE INFLUENZA.

A curious instance of the influence of rapid communication between different people is afforded by the fashionable desire which has seized large masses of people, as soon as they catch a bad cold to be accreited with an attack of genuine Russian influenza. The exaggeration of newspaper reports is the only "influence" under which these good people are laboring. It is, however, an ill wind that blows nobody good. Accordingly the doctors are getting fees which they would never have had but for this great blow over the influenza. This is all very well. But another view of the case is that persons may be led to take more care of themselves, and so, many may escape serious illness who would otherwise fall victims to carelessness. It is especially true of those advanced in years that during the prevalence of such epidemics they should take unusual care of themselves. Pneumonia is the greatest danger aged people encounter. More of them die of it than perhaps of all other diseases put together. Let younger people be especially solicitous at this time to do for the old all they can take upon themselves without officious or noisy and demonstrative intervention.

A Constituency Heard From.

The following correspondence has been sent to THE ECONOMIST, with request that it be published. It is given in full as suggesting a means by which the representatives of the people may be informed of the home-sentiment of the people:

To the Hon. B. W. Perkins, M. C.

We, the members of Sub-Alliance No. 718, Kansas, having heard read your letter of the 27th inst., written to our president, wish to join him in answering the same. We heartily endorse your position on the silver question, and also your position that "no people ever had too much good money;" and we further ask that you labor to give back to the people the money taken from them in the interest of the money power. As you made a bold and honorable fight in the Oklahoma struggle, we look to you for bold and earnest work in our behalf.

JOHN H. MAXWELL,
Secretary-Guilford Alliance.GUILFORD, WILSON COUNTY, KAN.,
January 8, 1890.

Hon. B. W. Perkins, M. C., Washington, D. C.
RESPECTED AND HONORED SIR—Your much appreciated letter of the 27th inst. was duly received, and permit me to thank you for your expressions of sympathy for the great producing class. I handed your letter to the lecturer of our Alliance, who

read it at our last meeting and offered a resolution which passed the house, a copy of which I herewith enclose. The people are becoming wonderfully dissatisfied with the financial condition of the country, and most all appear to be of the opinion that our present monetary system is the underlying cause of all the trouble. They feel that the power to regulate the volume of money so as to control prices, is so manipulated as to develop a potent force which we may denominate as the power of money to oppress. Will demonstrate it in this way. In the last four months of the year, the agricultural product of the whole year having been harvested, they are placed on the market to buy money. The amount of money necessary to supply is equal to many times the actual amount in circulation, nevertheless the class that controls the volume of the circulating medium desires to purchase these products for speculative purposes, so they reduce the volume of money by hoarding, in the face of augmented demand, and thereby advance the exchangeable value of the then inadequate volume of money, which is equivalent to reducing the price of the agricultural products. We believe that the necessities of life, i.e. the products of the country, whether of field or factory, is equally as good a foundation on which to base the circulating medium of our country as the metals which our mines produce, inasmuch as without the latter we could exist, but without the former existence would be impossible. The Alliance people submitted the sub-treasury plan as reported by the committee on the Treasury system, to the National Alliance and Industrial Union at their recent meeting in St. Louis, as the happy medium by which the matter can be righted. If you lack information regarding this or any other Alliance work and plans, and wish to acquaint yourself more fully regarding the purposes and aims of the order on these questions, it will no doubt be furnished you with pleasure by the NATIONAL ECONOMIST Publishing Company, Washington, D. C.

We are entering into this organization with a firmness of purpose, and prompted by as patriotic principles as you and I entertained when we enlisted in the service of our country for the preservation of the Union and the cause of liberty. The bitterness of feeling heretofore existing between the laboring people of the North and South is fast going the way of all earth. We have shaken hands with those of our brethren who wore the gray, and with malice toward none, with charity for all, with firmness in the right as God gives us to see the right, we are standing shoulder to shoulder with them as a unit in this matter of our common cause, regardless of party, creed, or nationality. The Alliance has taken one step above party politics. Embracing, as it does, members from all political parties it has for its aims and objects the success and prosperity of the whole country. We are a conservative host, with conservative leaders, moving with deliberate caution and with resolute determination in favor of a reversal of a public policy which makes government an ally of every political mountebank and every financial juggler who concocts a scheme to enable the rich to plunder the poor through the taxing power of the government and its monetary system. We have for our watchword "equal rights for all classes and special privileges to none." The opposition has "power" for its watchword, and will use money with great cunning and craft to secure conditions that will perpetuate "the power of money to oppress."

Now, therefore, I, I. M. Morris, president of the Kansas State Farmers Alliance, do proclaim that this said body is hereby united with the Farmers Alliance and Co-operative Union of Kansas.

Thus uniting the two farmer organizations of the State of Kansas, we cease to act as your president, and place Bro. B. H. Clover, of Cambridge, Kansas, at the head of the united body; also, Bro. T. J. McLain will act as assistant secretary with Bro. J. B. French, to aid in perfecting the consolidation and advance the united body on the highway of progress.

Brothers and sisters: On this new field of united action we appeal to you to be prompt in your efforts and strike telling blows that will protect the interest of the farmers' homes on the soil of Kansas. Unity in strength, will place the banner of victory for the farmers of our state over the frowning fortress of wrong.

The gleaming light of hope for our class is dawning upon the horizon of time through the unity of the tillers of the land. Be true to this unity, and you will protect the rights of a down-trodden class.

I. M. MORRIS,

President Kansas State Farmers Alliance, White City, Kan., Dec. 25, 1889.

A PROPOSITION has been advanced to use the debts of foreign nations as the basis of our national banking system. This idea will soon take the form of a bill before Congress. If foreigners come here and buy our land, railroads, elevators, flouring mills, etc., etc.; and are permitted to take mortgages upon the farm, the factory, and all other kinds of property, why should they not be permitted to bring over some of their old debts and make use of them. A national banking system founded on the debt of either one of the foreign powers, need never fear of having its basis interfered with; these debts are made without the idea of payment. Such a plan shows neither financial ability nor a knowledge of the temper of the American people. There is a great surprise in store for a growing class in this country.

THE SUB-TREASURY PLAN.

Declaration of the Farmers Alliance and Industrial Union.

REPORT OF THE COMMITTEE ON THE MONETARY SYSTEM.

The financial policy of the general Government seems to-day to be peculiarly adapted to further the interests of the speculating class, at the expense and to the manifest detriment of the productive class, and while there are many forms of relief offered, there has up to the present time been no true remedy presented which has secured a support universal enough to render its adoption probable. Neither of the political parties offer a remedy adequate to our necessities, and the two parties that have been in power since the war have pursued practically the same financial policy. The situation is this: The most desirable and necessary reform is one that will adjust the financial system of the general Government so that its provisions cannot be utilized by a class, which thereby becomes privileged and is in consequence contrary to the genius of our Government, and which is to-day the principal cause of the depressed condition of agriculture. Regardless of all this the political parties utterly ignore these great evils and refuse to remove their cause, and the importunities of the privileged class have no doubt often led the executive and legislative branches of the Government to believe that the masses were passive and reconciled to the existence of this system whereby a privileged class can, by means of the power of money to oppress, exact from labor all that it produces except a bare subsistence. Since then it is the most necessary of all reforms, and receives no attention from any of the prominent political parties, it is highly appropriate and important that our efforts be concentrated to secure the needed reform in this direction, provided all can agree upon such measures. Such action will in no wise connect this movement to any partisan effort, as it can be applied to the party to which each member belongs.

In seeking a true and practical remedy for the evils that now flow from the imperfections in our financial system let us first consider what is the greatest evil, and on what it depends. The greatest evil, the one that outstrips all others, so far that it is instantly recognized as the chief, and known with certainty to be more oppressive to the productive interests of the country than any other influence, is that which delegates to a certain class the power to fix the price of all kinds of produce and of all commodities. This power is not delegated directly, but it is delegated indirectly by allowing such class to issue a large per cent of the money used as the circulating medium of the country, and having the balance of such circulating medium, which is issued by the Government, a fixed quantity that is not augmented to correspond with the necessities of the times. In consequence of this the money issued by the privileged class, which they are at liberty to withdraw at pleasure, can be, and is, manipulated as to control the volume of circulating medium in the country sufficiently to produce fluctuations in general prices at their pleasure. It may be likened unto a simple illustration in philosophy: The inflexible volume of the Government issue is the fulcrum, the volume of the bank issue is the lever power, and price is the point at which power is applied, and it is either raised or lowered with great certainty to correspond with the volume of bank issue. Any mechanic will instantly recognize the fact that the quickest and surest way of destroying the power of the lever to raise or lower price is to remove the resistance offered by the fulcrum—the inflexible volume of Government issue. The power to regulate the volume of money so as to control price is so manipulated as to develop and apply a potent force, for which we have in the

English language no name; but it is the power of money to oppress, and is demonstrated as follows: In the last four months of the year the agricultural products of the whole year having been harvested, they are placed on the market to buy money. The amount of money necessary to supply this demand is equal to many times the actual amount in circulation. Nevertheless the class that controls the volume of the circulating medium desire to purchase these agricultural products for speculative purposes, so they reduce the volume of money by hoarding, in the face of the augmented demand, and thereby advance the exchangeable value of the then inadequate volume of money, which is equivalent to reducing the price of the agricultural products. True agriculturists should hold their products and not sell at these ruinously low prices. And no doubt they would if they could, but to prevent that, practically all debts, taxes, and interest are made to mature at that time, and they being forced to have money at a certain season when they have the product of their labor to sell, the power of money to oppress by its scarcity is applied until it makes them turn loose their products so low that their labor expended does not average them fifty cents per day. This illustrates the power of money to oppress; the remedy, as before, lies in removing the power of the fulcrum—the inflexible Government issue—and supplying a Government issue, the volume of which, shall be increased to correspond with the actual addition to the wealth of the Nation presented by agriculture at harvest time, and diminished as such agricultural products are consumed. Such a flexibility of volume would guarantee a stability of price based on cost of production which would be compelled to reckon the pay for agricultural labor at the same rates as other employment. Such flexibility would rob money of its most potent power—the power to oppress—and place a premium on productive effort. But how may so desirable a result be secured? Let us see. By applying the same principles now in force in the monetary system of the United States with only slight modification in the detail of their execution. The Government and the people of this country realize that the amount of gold and silver, and the certificates based on these metals, do not comprise a volume of money sufficient to supply the wants of the country, and in order to increase the volume, the Government allows individuals to associate themselves into a body corporate, and deposit with the Government bonds which represent National indebtedness, which the Government holds in trust and issues to such corporation paper money equal to ninety per cent of the value of the bonds, and charges said corporation interest at the rate of one per cent per annum for the use of said paper money. This allows the issue of paper money to increase the volume of the circulating medium on a perfectly safe basis, because the margin is a guarantee that the banks will redeem the bonds before they mature. But now we find that the circulation secured by this method is still not adequate; or to take a very conservative position, if we admit that it is adequate on the average, we know that the fact of its being entirely inadequate for half the year makes its inflexibility an engine of oppression, because a season in which it is inadequate must be followed by one of superabundance in order to bring about the average, and such a range in volume means great fluctuations in prices which cut against the producer, both in buying and selling, because he must sell at a season when produce is low, and buy when commodities are high. This system, now in vogue by the United States government of supplementing its circulating medium by a safe and redeemable paper money, should be pushed a little further and conducted in such a manner as to secure a certain augmentation of supply at the season of the year in which the agricultural additions to the wealth of the Nation demand money, and a diminution in such supply of money as said agricultural products

are consumed. It is not an average adequate amount that is needed, because under it the greatest abuses may prevail, but a certain adequate amount that adjusts itself to the wants of the country at all seasons. For this purpose let us demand that the United States government modify its present financial system:

1. So as to allow the free and unlimited coinage of silver or the issue of silver certificates against an unlimited deposit of bullion.

2. That the system of using certain banks as United States depositaries be abolished, and in place of said system, establish in every county in each of the States, that offers for sale during the one year five hundred thousand dollars worth of farm products; including wheat, corn, oats, barley, rye, rice, tobacco, cotton, wool and sugar, all together, a sub-treasury office, which shall have in connection with it such warehouses or elevators as are necessary for carefully storing and preserving such agricultural products as are offered it for storage, and it should be the duty of such sub-treasury department to receive such agricultural products as are offered for storage and make a careful examination of such products and class same as to quality and give a certificate of the deposit showing the amount and quality, and that United States legal-tender paper money equal to eighty per cent of the local current value of the products deposited has been advanced

on same on interest at the rate of one per cent per annum, on the condition that the owner or such other person as he may authorize will redeem the agricultural product within twelve months from date of the certificate or the trustee will sell same at public auction to the highest bidder for the purpose of satisfying the debt. Besides the one per cent interest the sub-treasurer should be allowed to charge a trifle for handling and storage, and a reasonable amount for insurance, but the premises necessary for conducting this business should be secured by the various counties donating to the general government the land and the government building the very best modern buildings, fire-proof and substantial. With this method in vogue the farmer, when his produce was harvested, would place it in storage where it would be perfectly safe and he would secure four-fifths of its value to supply his pressing necessity for money at one per cent per annum. He would negotiate and sell his warehouse or elevator certificates whenever the current price suited him, receiving from the person to whom he sold, only the difference between the price agreed upon and the amount already paid by the sub-treasurer. When, however, these storage certificates reached the hand of the miller or factory, or other consumer, he to get the product would have to return to the sub-treasurer the sum of money advanced, together with the interest on same and the storage and insurance charges on the product. This is no new or untried scheme; it is safe and conservative; it harmonizes and carries out the system already in vogue on a really safer plan because the products of the country that must be consumed every year are really the very best security in the world, and with more justice to society at large. For a precedent, attention is called to the following.

In December, 1848, the London Times announced the inevitable failure of the French republic and disintegration of French society in the near future, but so wise was the administration of the statesmen of that nation that two months later it was forced to eat its own words—saying in its columns February 16, 1849:

As a mere commercial speculation with the assets which the bank held in hand it might then have stopped payment and liquidated its affairs with every probability that a very few weeks would enable it to clear off its liabilities. But this idea was not for a moment entertained by M. D'Argout, and he resolved to make every effort to keep alive what may be termed the circulation of the life-blood of the community. The task was overwhelming. Money was to be found to meet not only the demands on the bank, but the necessi-

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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.

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

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

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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 premiums should accompany the first order.

The great necessity of the times is education. It is our only hope. It is the beacon light of success. We must not only educate but we must educate properly. The people fight the bagging trust and the twine trust because they see plainly the iniquity of the system. There are other trusts in existence more insidious in their nature, and a thousand-times more dangerous to the Republic, that are causing but little alarm. Why is this? It is want of education. The money trust is the giant of trusts. From its abundant resources all other trusts draw their sustenance. The machinations of this giant of giants are scarcely known. If you would know the diabolical schemes which in this combination, more powerful than Congress, have practiced to rob the people, read Morgan's new book, "History of the Wheel and Alliance and the Impending Revolution." No book of this character ever written has treated of as many subjects so masterly a manner. It covers the entire ground of the struggle between labor and corporate capital, and discusses fully the great issues that must determine our destiny as a people and as a nation. It has met the hearty approval and indorsement of the principal officers of the Wheel and Alliance and the Farmers and Laborers Union. The following testimonial are evidence of the high character of the work:

DUBLIN, TEX., September 3, 1889.

BRO. MORGAN: After critical examination of your new book, "History of the Wheel and Alliance and the Impending Revolution," I find it to be a work of vital importance to every reformer, and one that should be read by every American citizen. The subjects on which it treats are the questions which affect the industries of the nation and cause the depressed condition of labor. It is a wonderful compilation of facts, sustained by the most eminent authorities. It is one of the best educators within the reach of the people, and it has my hearty approval.

Yours fraternally,

EVAN JONES,
Pres. Farmers and Laborers Union of America.

OZONE, ARK., September 6, 1889.

BRO. MORGAN: I have received your "History of the Wheel and Alliance and the Impending Revolution." I predicted a work of unusual interest, and after having read your book I find my predictions fulfilled to the letter. It is a work that I can heartily recommend to the toiling millions. It has more clubs with which to fight monopoly, between its two covers, than any book I have ever seen. I hope it will have an extensive circulation.

Yours for the right,

ISAAC McCRAKEN,
Pres. National Wheel and Vice-Pres. F. L. U. A.

WASHINGTON, D. C., Sept. 27, 1889.

W. S. MORGAN.

DEAR SIR AND BROTHER: I write to congratulate you upon your valuable "History of the Agricultural Wheel and Farmers Alliance and the Impending Revolution."

I regard your history as a great benefit to the order, and calculated to be of much assistance in the important work of the future.

Every farmer and every man interested in the cause of the farmer should read your book and preserve it in his home library.

Yours fraternally,

C. W. MACUNE,

The book contains 774 large octavo pages, is full cloth bound, lettered in gilt, with gilt side stamp, and is printed on fine plated book paper. In counties where we have no agents the book will be sent postpaid to any address at the low price of \$2.25. Agents wanted in every county.

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The National Economist
WASHINGTON, D. C.

tightness is the inability of the railroads to carry the freight that is being heaped upon them in enormous quantities. Cars and trains are blocked, causing dullness in some markets and preventing the free circulation that seemed to be needed. Secretary Windom after the conference directed the prepayment of the interest due January 1 on registered 4 per cent bonds and Pacific railroad bonds. This action releases nearly \$8,000,000 before New Year day.

The very next day the Star published the following:

Bradstreet's reports 11,719 failures in the United States for the year 1889, with liabilities of \$140,359,490 and assets \$70,599,769. This is a larger number of failures and greater liabilities than for any other year in the past five.

This shows to what extent the pressure forced merchants to be sold out, since they could not get their hands into the treasury, but it does not show the thousands of farmers with industrious and self-sacrificing families who failed to pay the interest on the mortgage because grain was so low as a result of the squeeze in the volume of money. Thousands upon thousands of them have been sold out, because they could not get their hand in the treasury as the Wall street gambler did, and thousands more have paid the interest at the cost of food and clothing necessary to actual bodily comfort.

The New York World of December 31 gives a good description of the situation and intimates that the high government officials were secretly profiting by the squeeze. It says:

The brokers in the loan crowd of the Stock Exchange had a lively time yesterday when the rate for call loans advanced to 40 per cent, and for a while it looked as though there was going to be a serious money squeeze. Conservative bankers, as has already been stated in the World, have not felt at all alarmed, and at nearly all the banks call loans have been made at 6 per cent, but still in the Stock Exchange the manipulators there have several times forced the price for money up to an abnormally high rate. Yesterday these men had a good deal to help them in their efforts to make a squeeze. The weekly bank statement of Saturday showed a decrease in the results. It was announced from London early in the day that the bank of England had increased the discount rate from 5 to 6 per cent, and a number of banks were reported to be calling in their loans. All this had a marked effect, and money on call, which had opened at about 15 per cent, was squeezed up to 20, 25, 30, 35, and finally, even as high as 40 per cent.

The First National Bank advanced its rate on call loans to 25 per cent, but so far as was known this was not done by any other of the large banks. The extreme rate, however, did not last long, and it soon dropped as low as 6 per cent.

Then it jumped up again and hung around between 10 and 15 per cent for some time, but just before the close it became easier and fell off to 4 per cent.

The Secretary of the Treasury had mailed Saturday the Government checks for the payment of the interest due January 1, and amounting to about \$8,000,000, of which about \$6,000,000 was payable in this city. These checks came to hand yesterday morning, and as a number of them were presented at the sub-treasury, Mr. Roberts, the Assistant Treasurer, telegraphed to Washington asking if he should pay them. Shortly after the noon hour he received instructions to pay them as presented without rebate, and when this was learned on the street it broke the corner or squeeze in money. It is calculated that somewhere in the neighborhood of \$75,000,000 will be released when all the January payments are made, and while there may be a temporary flurry until this money gets into circulation and reinvested, it is not apprehended that there is going to be any serious trouble.

There was a good deal of criticism of Secretary Windom's policy last night at the Windsor Hotel by the brokers who gather there to review the events of the day. The fact that he had followed in the steps of his predecessors and anticipated the payment of interest on January 1 was grateful enough to those who feared the possibility of a serious disturbance over the money situation, but it was the way in which he had done this that aroused the criticisms. Last Friday it was announced as having come from Mr. Windom that

he would not anticipate the interest, that the treasury was being run on business principles, and that the interest would be paid when it was due and not before, and therefore every one was led to believe that the interest money would not be released until January 2. He, however, mailed the checks Saturday, dating them January 1, 1890, and yesterday ordered them paid without rebate. Meanwhile he had, it is charged, made it possible for a group of manipulators to squeeze the money market. It was regarded as somewhat significant, too, that the First National Bank had sent out word that the rate for their call loans had been fixed at 25 per cent. This bank is the one in which John Sherman is supposed to be interested, and the building in which it is located is popularly known in the street as "Fort Sherman," and as it stands close to some of the Republican leaders this action was considered to be in bad taste, to say the least. It was predicted last night that this matter would probably lead to some legislative action by which call loan rates would be placed upon the same basis as other loans.

It is thus shown that no matter how criminal robbery may be, this action on the part of speculators is robbery, and the Government when it hoards a large per cent of the volume of money actually in existence in the country makes such manipulation easier and more certain.

The evil of the treasury surplus lies in the Government having delegated to the banks the power to regulate the volume of money in the country; that they in response to their own speculative interests always reduce the volume to the lowest possible limit; that a large amount then in the treasury constitutes an important per cent of the gross volume and leaves the balance to be easily manipulated by speculators so as to produce depression and disaster to productive pursuits.

The remedy is simple, efficient, safe, and sure. It was recommended by the National Farmers Alliance and Industrial Union at St. Louis last December, and is published in another issue of THE ECONOMIST, headed "Eureka." It is the sub-treasury plan, and provides a system that will give the producer twelve months leisure in disposing of his crop, and will certainly result in stability of prices, and destroy the occupation of the speculative class and reduce interest to 1 per cent per annum.

The first victory for organized labor this session of Congress, was scored last week in the Senate by the passage of the following amendment to the census bill by a vote of 47 to 4:

That it shall be the duty of the Superintendent of Census, in addition to the duties now required of him by law, to ascertain the number of persons who live on and cultivate their own farms, and who live in their own homes, and the number who hire their farms and homes, and the number of farms and homes which are under mortgage, the amount of mortgage debt, and the value of the property mortgaged. He shall also ascertain whether such farms and homes have been mortgaged for the whole or part of the purchase-money for the same, or for other purposes; and the rates of interest paid upon mortgage loans.

Sec. 2. That for the purpose of this act the sum of \$1,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated.

The four Senators voting against it were Sherman, Morrill, McPherson, and Stockbridge. It might be well to cut these names out for future reference. The change of sentiment in the Senate regarding this matter is remarkable, and can be attributed to but one cause—news from constituents. The National Farmers Alliance and Industrial Union and the Knights of Labor should now take fresh courage and move on to other victories.

A FINANCIAL HISTORY.

COURSE AND EFFECT OF LEGISLATION SINCE 1861.

NO. I.

The 4th of March came, and Abraham Lincoln was inaugurated President. Less than a month previous, February 8, a convention of the Southern States was held at Montgomery, Alabama, which adopted a constitution for the Confederate States of America and elected Jefferson Davis president. Almost immediately following the inauguration open hostilities began between the States. Fort Sumter was attacked April 12th, 1861, and on the 15th President Lincoln called for 75,000 militia to serve for three months. To arm and equip these troops required money, and in providing and expending this amount and the hundreds of millions which followed lies the entire cause of our present difficulties. Many other explanations are given for the universal depression in business which pervades all sections of our country at the present time, but none reaches the true reason except the unscrupulous manipulation of the currency during the past thirty years. It is the "power of money to oppress" that the people have to fear and from which they are now suffering. The magnitude of these financial transactions were without parallel in history, and the amount of our national debt as a natural result was enough to destroy all hope of payment. Yet such was the power of recuperation and production among the people that, vast as the debt was, it would have proved beneficial to some extent had not a few planned while the many worked." Thrift, energy and economy on the one side has been contesting against great odds for the past twenty-five years, with monopoly, greed and the "power of money to oppress" on the other side. A continuation of this investigation will disclose a record of fraud,

corruption and selfishness that will astonish the most charitable. The real fiscal policy under which we now live began with the administration of President Lincoln. After the inauguration the Senate remained in session until March 28th and adjourned. Difficulties continued to increase until a call for an extra session of Congress was made for July 4th, 1861. The report of the Secretary at that date stated that the estimated expense for the fiscal year 1862 was \$518,519,581, which proved to be more than \$240,000,000 short of the amount actually expended. The tariff bill of March 2d was amended and the dutiable list largely increased. This measure brought into the national treasury only \$39,482,125—\$14,000,000 less than 1860, and \$25,000,000 less than 1856. The demoralized condition of the people gives the only explanation. The credit of the Government had reached a very low stage at this time, and is fully disclosed by a speech at this session of Mr. Spaulding, a member of the House. He said: "The Treasurer is in

the market to day with his 6 per cent treasury notes without being able to get them taken. The 6 per cent coupon bonds are now selling in New York at 88 to 88 1/4 cents on the dollar, discount of 12 per cent. The 12 per cent treasury notes of December last are held at 102, showing already that the Government is at this moment unable to negotiate any of its loans that have been authorized by Congress except at the most ruinous rates of discount. * * * I believe, sir, that we are now entering upon a system of taxation that will last for years."

Secretary Chase had been in consultation a number of times with bankers from the large cities, and could make no arrangements for placing the bonds or treasury notes. There seemed to be at that early period either a conspiracy to break down the credit of the Government, or a very general fear that Government was not safe. Whichever was true, one fact remained perfectly plain. No bonds could be marketed at any reasonable rates. When this was made known to the President and other members of the cabinet, it was determined, as Secretary Chase said, to cut up the credit of the Government into small pieces and let the people use it themselves.

Acting upon this resolution a bill was introduced in the House July 9, 1861, to meet the expenses of the war, by obtaining a loan of \$250,000,000, and considered in committee of the whole the next day. Debate on the bill was limited to one hour, and this hour was entirely occupied by one member. At the conclusion of his remarks the bill was passed by yeas 150, nays 5. The bill passed the Senate without much debate, but with many amendments, which were concurred in by the House, and was approved July 17, 1861 (12 Statutes, 259.) It authorized the Secretary of the Treasury to borrow, on the credit of the United States, within twelve months from the passage of the act, a sum not exceeding \$250,000,000, for which he was authorized to issue coupon or registered bonds, or treasury notes, in such proportions of each as he might deem advisable, the bonds to bear interest not exceeding 7 per cent per annum, payable semi-annually, and redeemable, at the pleasure of the United States, after twenty years. The treasury notes to be of any denomination fixed by the Secretary, not less than \$50, payable three years after date, with interest at the rate of 7 3/10 per cent per annum, payable semi-

annually. The Secretary was also authorized to issue treasury notes of a less denomination than \$50 and not less than \$10, bearing interest at the rate of 3 1/2 per cent per annum, payable in one year from date, and exchangeable at any time for treasury notes of \$50 and upward, bearing interest as specified above; also, to issue treasury notes of less than \$50 and not less than \$10, not bearing interest, but payable on demand; but the whole amount of such notes issued was not to exceed \$50,000,000. The Secretary was fur-

ther authorized to issue, whenever he should deem it expedient, treasury notes of any of the denominations before specified, bearing interest not exceeding 6 per cent, payable at any time not exceeding twelve months after date, but the whole amount of notes so issued was not to exceed \$20,000,000. Notes of less than \$50, when redeemed, might be reissued or cancelled and new notes issued in their stead, but the aggregate amount of bonds and notes issued under previous sections of the act was never to exceed \$250,000,000, and the power to issue or reissue the treasury notes was to cease December 31, 1862. A bill supplemental to the above act was introduced in the Senate July 22, and passed both houses with but little debate, though some opposition was made to the section which allowed the Secretary of the Treasury to fix the denomination of the treasury notes at any sum below \$50. The limit was finally fixed at \$5, and the bill passed and was approved August 5, 1861 (12 Statutes, 313.) It authorized the Secretary to issue a part of the bonds provided for by the act of July 17, 1861, at 6 per cent per annum, these bonds to be exchangeable for treasury notes bearing interest at 7 3/10 per cent, but no such bond was to be issued for less than \$500, nor was the whole amount of such bonds to exceed the whole amount of treasury notes bearing interest at 7 3/10 per cent issued under the said act. The Secretary was also authorized to issue treasury notes bearing interest of denominations as low as \$5. The act of February 12, 1862 (12 Statutes, 338), authorized the issue of \$10,000,000 in demand notes in addition to the \$50,000,000 authorized by the acts of July 17 and August 5, 1861.

The introduction of this bill with the non-interest bearing treasury note clause, brought the whole banking interest of the country or their representatives to Washington, to try to prevent its passage. But it was a case of emergency; and Congress felt keenly the ill-treatment which the Government had received at the hands of the banks, and the bill became a law. This authorized the first issue of greenbacks—old demand notes as they are called. The actual status of the demand note has never been fully understood by the public generally. The act of July 17, 1861 (12 Statutes, 259.) It authorized the Secretary of the Treasury to borrow, on the credit of the United States, within twelve months from the passage of the act, a sum not exceeding \$250,000,000, for which he was authorized to issue coupon or registered bonds, or treasury notes, in such proportions of each as he might deem advisable, the bonds to bear interest not exceeding 7 per cent per annum, payable semi-annually, and redeemable, at the pleasure of the United States, after twenty years. The treasury notes to be of any denomination fixed by the Secretary, not less than \$50, payable three years after date, with interest at the rate of 7 3/10 per cent per annum, payable semi-

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were kept in Government sub-treasuries, but a short supplementary act was introduced August 1st, 1861, to deposit Government moneys in any specie paying bank. Senator Trumbull opposed the bill. Senator Fessenden undertook to explain its provisions, and gave the following reasons: "If the bill is not passed, and as the law now stands, the banks will be obliged to take the specie from their own vaults. If, however, the bill is passed they will become depositories of Government funds, and the specie can remain with them and their bills can be used instead." The bill passed, and from that day to this both Government and people have been paying tribute for the privilege of using the credit of the banks and not their money. At this session a direct tax was levied on the different States and Territories, which, in view of the present agitation concerning that tax, a table of the amounts is given:

Maine.....	420,826	Indiana.....	948,075
N. Hampshire.....	218,462	Illinois.....	1,146,515
Vermont.....	211,068	Missouri.....	761,127
Massachusetts.....	824,581	Kansas.....	71,743
Rhode Island.....	116,063	Arkansas.....	261,886
Connecticut.....	308,214	Michigan.....	501,765
New York.....	2,603,018	Florida.....	77,522
New Jersey.....	450,184	Texas.....	355,106
Pennsylvania.....	1,946,719	Iowa.....	419,088
Delaware.....	74,683	Wisconsin.....	519,688
Maryland.....	436,823	California.....	254,588
Virginia.....	987,550	Minnesota.....	108,524
N. Carolina.....	576,194	Oregon.....	35,140
S. Carolina.....	363,570	New Mexico.....	62,648
Georgia.....	584,367	Utah.....	26,982
Alabama.....	529,314	Washington.....	7,755
Mississippi.....	413,084	Nebraska.....	19,312
Louisiana.....	385,886	Nevada.....	4,592
Ohio.....	1,567,089	Colorado.....	22,905
Kentucky.....	713,095	Dakota.....	3,241
Tennessee.....	669,498	Dist. of Col.	49,437

THE JUTE BAGGING TRUST.

The Ways and Means Committee has given a hearing to quite a number of flax and hemp manufacturers. There was a difference of opinion expressed, some views being in favor of abolition of the duty on the raw material and some against it. Mr. Frank L. Babbott, treasurer of the Chelsea jute mills, read a telegram from the Dolphin Manufacturing Company, of Paterson, N. J., employing eight hundred hands, saying that unless Congress gave them free raw jute they would be obliged to suspend. The day's hearing ended with a warm colloquy between Charles E. Pearce, of St. Louis, and the members of the committee regarding the bagging trust. Mr. Pearce said that the trust was made necessary by the Mills bill and was regretted by the manufacturers. Mr. Pearce said he did not know who got the \$2,000,000 realized by the rise in price which followed the organization of the trust.

The agitation of the question of the tariff upon jute is not now a question of much importance to the cotton planter. Before he had learned that cotton made a better wrapping than jute, he was in favor of free raw jute as a means of breaking the jute trust, but now he does not desire to use jute bagging at any price. Native grown substitutes for jute have been found in cotton, pine straw, cotton stalks, okra stalks, and pea vines, and many now contend that the tariff had better remain in order to develop the infant industry of manufacturing cordage and wrapping from native grown textiles that are now a waste product.

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THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Anvil (Castroville, Tex.) explains as follows:

Senator Cullum has introduced a bill, forwarded to him by Pomona Grange, of Coles county, Ill., authorizing the Government to loan money to farmers at 2 per cent interest per annum, taking, as security, a mortgage on lands of the borrowers. Mr. Cullum did not, and will not, urge its passage. The Republican plan of disposing of the surplus is to hand it over to ocean steamship companies as a gift—not as a loan.

The Kingman (Kas.) Weekly Journal concludes an able editorial this way:

Go ask old Father Time himself, heavily laden with the history of all countries, what were the cause of decay and death of empires, and he will tell you poverty, homelessness, poverty hard by paternal wealth. Poverty came and brought her troops with her, ignorance, vice and crime, which "out-venomed all the worms of the Nile." They had no stepping-stones to Heaven. They had no "paradise of childhood," no "Eden of the heart." They sapped the pillars of empire and it mouldered into ruin. They touched the Hollyhock of wealth and it withered into cinders. Tell me not the vast increase in material prosperity if that prosperity is monopolized by the few. This wealthy few has never in any age been the staunch supporters of honest free government. Thus extremes meet. Poverty becomes the victim and the slave of wealth. Wealth rules with an insolent iron sceptre. Poverty is the praetorian guard, willing to sell the empire at the best price. Wealth is the competitive bidder ready to buy empire and people together, and it has no use for that empire and that people who do not bow the knee to the Moloch or their ambition. The one leads to ignorance, vice and anarchy, the other to pride, avarice and despotism. Thus you see either of these extremes leaves honest government with no friends but the faithful few with homes—the independent man of the middle rank.

The Southern Messenger (Buchanan, Ga.) says: A very small band of robbers often accomplish many astonishing and wonderful robberies. It is through unity and determination to succeed that makes them successful. If farmers were only as loyal to each other and as resolute in their undertakings they could and would accomplish much good. Their purposes are good. Why not carry them out?

Northern Light (Spokane Falls, Wash.) asks: Can any one tell us now, where the citizens of the United States are being benefitted by these alien syndicates, or, using plain English, these alien plunderers? Furthermore, these outrages are becoming too frequent in our daily life, and it is strange that in our own new State of Washington the very same forces—the Boards of Trade—were working, during the formation of our constitution, for giving these alien plunderers all the opportunities to successfully carry on their work of enslaving the people of the United States by acquiring the lands which should belong to the American farmers, and the industries which should be carried on by American workers!

The Co-operator (La Crescent, Minn.) says: Soon the political pot will begin to boil and all the machinery put in motion, that professional politicians may keep to the front. All such should be dropped and good men put in their places, but let no man bring himself before the people as a mendicant for an office. The people know who have principle, which is always better than party, and if they do not know how they want to vote when the time comes they had far better stay at home, than to be made cats-paws of to help their enemies and ruin their friends, as many do who vote as they are told.

Clark (S. Dakota) County Democrat:

The big monopoly of kings are getting scared at the possibility of a union of the West and the working classes of the East, which would be death to the great monopolies that are accumulating all the wealth of the country. The kings are becoming so scared that they have dropped a hint that if the representatives of the West did not join the Congressional Association the Eastern members would unite against the West. This is significant, and to a thinking mind is conclusive that the bond kings know they are beginning to think for themselves and to become posted upon the great governmental questions to cast an intelligent vote, and that an intelligent vote will mean death to

monopoly control. The revolution is coming and will soon be upon us, and the best thing a Western representative can do to save his political life is to join the ranks and help bring about the change. Kansas City (Mo.) Live-Stock Journal, is just right.

Evidently the farmers "all along the line" are beginning to feel the necessity of political co-operation. A Missouri correspondent this week suggests a remedy for the wrongs under which the farmers have been made to suffer for many years, directly in line with the movement of the Farmers Alliance and Labor Union, and we shall be very much surprised if there is not a revolution in the legislatures of many Western States next fall, as few politicians of either party now dream of. We have all along contended that the farmers, if they will but act together, can control legislation in their own interest, and the signs are that they also are beginning to believe in the truism—

"The Lord helps them that help themselves."

Alliance Herald (Rome, Ga.) says:

The Alliance has a good work before it. It has accomplished much but it has much more to accomplish. Fortunately for the people, it has the courage and the ability to wage war successfully, and to fulfil its mission.

Grange News (Bellville, Ill.) puts this question in arithmetic:

If a farmer living off the fat of the land and clearing in exceptionally good seasons from 2½ to 3 per cent on his investment is able to pay from 6 to 12 per cent interest, how long will it take the frog that jumps one foot and falls back in the well two feet below the starting point, to get to the top of the well via China, providing his wind holds out?

The Texas (San Antonio) Tribune. You are right brother:

The people of England demand the abolition of the House of Lords; the people of the United States demand the abolition of the State and national senates. The people of both countries are right; only they ought to have made the demand and insisted upon it years ago. It may now be too late to get rid of these political incubuses.

St. Louis (Mo.) Christian Advocate says:

Capitalism asks pompously as though it were putting an unanswerable question, "Can a man not do as he pleases with his own?" Before answering this question it is necessary to know what is a man's own and how he came by it. The mere assertion of a claim does not prove its equity, and sometimes unjust laws defend inequitable claims whilst the manner of acquisition has much to do with the integrity of an assumed title. Ethics is becoming a more important factor in modern economics than has heretofore been.

New York World shows up the following:

No fair-minded man can read the story of Ausable Forks in the Sunday World and fail to see that this little New York mining village is blighted by a system of extortion and greed which only compulsory weekly payments can remedy. The case of Jesse Poole, who has worked for an iron company forty years, who has never known a pay day and who now finds himself \$600 in debt to the company, is more worthy of Siberia than of the Empire State. The "company store," the company doctor, the company system of credit and lack of pay days have made him essentially a slave. It is notorious that the prices of the company store have always been at least 20 per cent higher than the current figures. Had Jesse Poole been paid weekly in cash and had he made the same purchases in open market he would have possessed \$2,400 to-day instead of being \$600 in debt! There are other Ausable Forks and other Jesse Poolees.

Labor's Tribune (Carthage, Mo.) gives warning:

The politicians do not seem to be taking any reckoning, but are sailing along unconscious of the gathering storm and the rocks upon which they are going to founder. The Supreme Court is being packed in the interest of the corporations; millionaires are openly and unblushing buying seats in the United States Senate; Congressional committees are arranged with the special view of legislating in the interest of the national banks, railroads, syndicates, trusts, and the plutocrats is general; Congressmen are doing out official patronage as a reward for personal favors and with the view of buying the influences that will enable them to retain their seats in Congress; boodleism of the most flagrant character is winked at and passed by as matters of the most trivial character. And yet in the face of all this high-handed rascality and scoundrelism carried on openly in both of the old parties, their party leaders are busily laying their plans and wires for a continuation of this outlandish system of corruption and rottenness, and seem to be imbued with the idea that the masses haven't sense enough to kick, and sometimes we are constrained to believe they are about correct in their estimate.

Pacific Rural Press (San Francisco, Cal.) A correspondent of that journal says:

Our system of finance is based upon intrinsic value, and wholly in the hands of the present liberty-destroying banking system, which makes its money upon what it does not possess, and banking as money-making business is an injury to everybody except those engaged in it. The profit that goes to them is added to the cost of production and comes out of the consumer. I thus hold that this system of intrinsic money value is nothing but a gigantic swindle, manipulated by the

worth of the staple? There might be some little expense incurred which would serve as a helper in solving the knotty problem of reducing the surplus in our plethoric treasury.

The Wisconsin Agriculturist (Racine, Wis.)—The following is taken from a letter of Hon. Ignatius Donnelly. It has the right ring:

The land-owners of America ought to be the aristocracy of America; they are rapidly becoming its paupers. Five hundred farms surrounding one town in South Dakota have passed by mortgage foreclosure into the hands of tenants. The New England States are importing foreigners to occupy the deserted farms, once the happy homes of the bold yeomanry who started the American revolution in 1776. The producers of the United States now pay interest upon five billions of watered stock of the railroad corporations, which never cost the owners a dollar, which does not represent a dollar of real capital invested. Upon this sum we pay more than three hundred million dollars annually, drawn from us through the railroad depots in the increased cost of transportation, on all we buy and on all we sell. We talk about the interest on the public debt, but here is a debt four times as great, which we never incurred or authorized, for which we never received a penny of advantage in any form, and which does not go to the support of our Government, or of our officials, or of the poor pensioners of the civil war, but which is used to build up a moneyed aristocracy, based on robbery in this country and Europe.

In the act of 1869 the text reads, "but none of said interest-bearing obligations," etc., referring, no doubt, to bonds then outstanding; whereas in the Revised Statutes Congress has been careful to strike out "said" and insert "the," so that it reads, "none of the interest-bearing obligations," etc.; which must refer to all such as were issued, or to be issued under any law that had been or might be passed by Congress.

I come now, Mr. Chairman, to the consideration of the act passed July 14, 1870, known as the refunding act, under which the 4 per cent bonds, so called, were issued, and with the indulgence of the committee I will make a brief statement of facts, such as I desired to make some days ago in respect to the variance found to exist between the law as passed by Congress and as it is published in the Statutes at Large. An editorial in a prominent public journal, which claimed that the law as found in the statutes authorized the Secretary of the Treasury to call for redemption outstanding bonds in the order of

the following able communication from Capt. T. W. Whatley, president of Aiken Central Alliance:

I desire to call the Attention of Alliance men to a resolution adopted by the National Alliance at St. Louis, which has been published by the Cotton Plant and THE NATIONAL ECONOMIST. This resolution sets forth as a reason for our financial troubles the pernicious banking system of our Government, which is run almost exclusively in the interest of capitalists and manufacturers, enabling them to control the volume of currency just at the time when our crops are coming into market, thereby increasing the purchasing power of money and decreasing the value of agricultural products, making the profits arising from the toil and anxiety of a year's labor go into the pockets of those who have not labored for them. Now, the plan set forth in the St. Louis convention is designed to meet and overcome this evil, and also to serve as a basis of union and create a concert of action which will wipe out sectional animosities and cement the interest of the whole country. This plan presents a very feasible appearance, and is altogether within the compass of our ability if we will stand together and demand its enforcement. The farmers and wage-earners are greatly in the majority in this country, and it is only necessary for them to know and understand their rights, to have them secured, and we should see to it that our Senators and Representatives enact such laws as will give us ample protection. We frequently hear the fear expressed that the Alliance will run into politics. We hope it will, at least to the extent of putting good men in office—men who understand our wants and will enact such laws as we need. In this age of newspapers and telegraph any one who remains in ignorance of and indifferent to the financial and industrial questions of the day cannot be, in the true sense of the word, a good citizen, but is guilty of a culpable neglect of duty to his country, his family and to his own self. Not that we would have every man a cross-road politician; far from it; but we would have every one take an intelligent interest in all questions which affect our well-being, and in order to do so we must read the papers. They are cheap and efficient educators. In their columns all topics of importance are discussed and dissected, and the careful and thoughtful reader is not likely to be duped or made a pliant tool of by designing men.

Thinking it possible that the enrolling clerk had found that the record made by the Secretary of the Senate contained the word "after" and had made the erasure and alteration in the bill before it was signed, I next had recourse to the records made by both the secretary of the Senate and the clerk of the House in the original daily journals of the proceedings of their respective bodies, a certified copy of which is before me, and in

WAS IT A FORGERY?

Several allusions have been made in certain reform papers, challenging the legality of the issue of a large part of the present United States bonds. For the purpose of giving the facts as near as possible in regard to this matter, that portion of Hon. Ralph Plumb's speech which treats of this bond issue is quoted below. Mr. Plumb was a Republican member of Congress from Illinois, and delivered this speech in the House, March 5, 1888. Previous to this, he had carefully and thoroughly investigated all the details connected with this issue of bonds, and gives the result of his examination and the laws bearing upon the subject in a most able and logical manner. He said:

In the act of 1869 the text reads, "but none of said interest-bearing obligations," etc., referring, no doubt, to bonds then outstanding; whereas in the Revised Statutes Congress has been careful to strike out "said" and insert "the," so that it reads, "none of the interest-bearing obligations," etc.; which must refer to all such as were issued, or to be issued under any law that had been or might be passed by Congress.

I come now, Mr. Chairman, to the consideration of the act passed July 14, 1870, known as the refunding act, under which the 4 per cent bonds, so called, were issued, and with the indulgence of the committee I will make a brief statement of facts, such as I desired to make some days ago in respect to the variance found to exist between the law as passed by Congress and as it is published in the Statutes at Large. An editorial in a prominent public journal, which claimed that the law as found in the statutes authorized the Secretary of the Treasury to call for redemption outstanding bonds in the order of

the following able communication from Capt. T. W. Whatley, president of Aiken Central Alliance:

I desire to call the Attention of Alliance men to a resolution adopted by the National Alliance at St. Louis, which has been published by the Cotton Plant and THE NATIONAL ECONOMIST. This resolution sets forth as a reason for our financial troubles the pernicious banking system of our Government, which is run almost exclusively in the interest of capitalists and manufacturers, enabling them to control the volume of currency just at the time when our crops are coming into market, thereby increasing the purchasing power of money and decreasing the value of agricultural products, making the profits arising from the toil and anxiety of a year's labor go into the pockets of those who have not labored for them. Now, the plan set forth in the St. Louis convention is designed to meet and overcome this evil, and also to serve as a basis of union and create a concert of action which will wipe out sectional animosities and cement the interest of the whole country. This plan presents a very feasible appearance, and is altogether within the compass of our ability if we will stand together and demand its enforcement. The farmers and wage-earners are greatly in the majority in this country, and it is only necessary for them to know and understand their rights, to have them secured, and we should see to it that our Senators and Representatives enact such laws as will give us ample protection. We frequently hear the fear expressed that the Alliance will run into politics. We hope it will, at least to the extent of putting good men in office—men who understand our wants and will enact such laws as we need. In this age of newspapers and telegraph any one who remains in ignorance of and indifferent to the financial and industrial questions of the day cannot be, in the true sense of the word, a good citizen, but is guilty of a culpable neglect of duty to his country, his family and to his own self. Not that we would have every man a cross-road politician; far from it; but we would have every one take an intelligent interest in all questions which affect our well-being, and in order to do so we must read the papers. They are cheap and efficient educators. In their columns all topics of importance are discussed and dissected, and the careful and thoughtful reader is not likely to be duped or made a pliant tool of by designing men.

Thinking it possible that the enrolling clerk had found that the record made by the Secretary of the Senate contained the word "after" and had made the erasure and alteration in the bill before it was signed, I next had recourse to the records made by both the secretary of the Senate and the clerk of the House in the original daily journals of the proceedings of their respective bodies, a certified copy of which is before me, and in

both these original records the word "for" stands unaltered, just as it was when the enrolled bill was signed.

Mr. Chairman, it would be difficult to find in our language two words with more opposite definitions than these prepositions "for" and "after." Webster says, "The radical sense of 'for' is to go, to pass, to advance, to reach or stretch," and that it signifies "during," and Worcester adopts the same definition. On the other hand, the same authorities define the word "after" to mean following, or later in time. It follows, then, that as the law stands now upon the record of both Houses of Congress the bonds commonly called 4 per cents are redeemable at the pleasure of the United States at any time during thirty years.

Mr. Chairman, the proposition I maintain is that in cases where there is an important variance between the records made of the road of the law by the proper officers of the two Houses of Congress and the published records of the House and Senate must be resorted to; and if the words there recorded have a clear and distinct meaning, no resort to any other testimony to set aside that meaning is admissible, and that the law as found on such records must stand until re-pealed. I take this proposition in the presence of a large number of lawyers who are members of this body, and I ask them to show if they can that this is not the rule. Sir, the erroneous publication of the law does not make it a law, even though it is published and signed by the presiding officers of each House and approved by the President. A similar question has been raised in England. In May's Treatise on Proceedings in Parliament it is said, page 554, that—

"Since the assent of the Queen, Lords and Parliament is essential to the validity of an act—

1. Will the royal assent cure all prior irregularities in the same way that the passing of a bill in the Lords would preclude inquiry as to the informalities in any previous stage?
2. Is the indorsement on the bill recording the assent of the Queen, Lords, and Commons conclusive evidence of the fact, or
3. May the journals of either house be permitted to contradict it?

"The first case in which a difficulty arose was in the 33d of Henry VI."

In that case the Lords, in order to avoid certain construction as to the date on which a certain bill was to take effect, altered the date, but did not return the bill to the Commons. A motion was made to impeach the validity of the act on the ground that the Commons ought to have had the bill back. On the hearing, Chief Baron Illingworth and Mr. Justice Markham were of the opinion that if the amendment made the bill vary in effect from that which was sent up from the Commons the act would be invalid. Chief Justice Fortescue concluded the case by saying:

"This is an act of Parliament, and we will be well advised before we annul any act of Parliament, and peradventure the matter ought to wait until the next Parliament; then we can be certified by them of the certainty of the matter; but, notwithstanding, we will be advised what shall be done."

In 1829 a bill to amend the law in relation to the employment of children in factories passed the Commons and was agreed to in the Lords with an amendment, and through mistake received the royal assent, after which the amendment was agreed to by the Commons; but in order to remove all doubts

an act was passed to declare that "the act shall be valid and effectual to all intents and purposes as if the amendment made by the Lords had been agreed to by the Commons before said act received the royal assent." In 1843 the schoolmasters' widows' fund bill was returned to the Commons with amendments, and by mistake the bill received the royal assent. After an examination of precedents the act was made valid by a new enactment. In this country, as in England, the assent of the President, the Senate and the House of Representatives is essential to the validity of an act, and the courts of the United States have with great unanimity held, as has been done in England, that the records made by the law-making branch of the state must be resorted to in all cases in dispute in order to ascertain what the law is. The first to which I shall refer is entitled *Town of South Ottawa vs. Perkins* (page 261 *et supra*, 94 S. C. Reps., Otto IV). The facts of this case occurred in my Congressional district, and, briefly stated, are these: Certain towns along the line of the Ottawa, Oswego and Fox River Valley Railroad voted bonds to the amount of nearly half a million dollars to aid in the construction of said road. The town of South Ottawa, acting under a published act of the legislature, which was signed by the speaker of the house, the president of the senate, and approved by the governor, voted to issue, and did issue, its bonds to a large amount for the purpose indicated. These bonds were delivered to the railroad company, and by it to the contractors, who sold them to investors and used the proceeds in constructing the road. Every transaction in relation to the issuance and sale of these bonds was made in the utmost good faith. After interest had been paid on the bonds for a year or more it was discovered that the record made by the secretary of the senate of Illinois did not show affirmatively that the bill granting to these towns the authority to vote the issue of bonds as indicated above was read a third time and the yeas and nays called thereon, as the constitution of the State requires.

"When the case came on for trial in an Illinois court the town of South Ottawa offered to prove by the journals of each house of the legislature that there was no entry in the same of a final vote by the senate on the act of February 18, 1857 (giving the town authority to vote). The testimony was objected to, and was ruled out by the court on the ground that the holder of the bonds was a bona fide purchaser of them without notice of any objection to the validity; that the first instalment was paid at maturity, and therefore the defendant was estopped from offering any evidence to show that the act was not passed, the same having been duly published among the printed statutes as a law, and being, therefore, *prima facie* a valid law; in other words, although it might not have been duly passed, the town, under the circumstances of the case, was estopped from denying its passage."

Now, the Supreme Court of the United States, after stating the case in the language above quoted, say:

"We can not assent to this view. There can be no estoppel in the way of ascertaining the existence of a law. That which purports to be a law of the State is either a law or it is not a law, according as the truth of the fact may be, and not according to the shifting circumstances of parties."

Further on, in the same opinion (page 260), the court lays down the general doctrine as follows:

"Not only the courts but individuals are bound to know and can not be received to plead ignorance of it. The holder of the bonds in question can claim no indulgence on that score, and can take no advantage that he is a *bona fide* purchaser without notice."

"Again, it may be urged that while the law as laid down in the above case applies to the existence of a statute, it does not apply to a case like the refunding act, in which a single provision of the act is in dispute. To which I reply that, in the opinion just quoted, the court affirms the doctrine held in the case of *Gardner vs. The Collector* (6 Wall., 511), namely:

"That when a question arises in a court of law of the existence of a statute, or of the time when a statute took effect, or of the precise terms of a statute, the judges who are called upon to decide it have a right to resort to any source of information which in its nature is capable of conveying to the judicial mind a clear and satisfactory answer to such question; always seeking first for that which is most appropriate, unless the positive law has enacted a different rule."

The purport of the doctrine held is clearly to the effect that no distinction can be made between the question of the existence of a statute and that of the precise meaning of terms used in a statute that has been duly passed.

In the case *Gardner vs. Collector* (6 Wall., page 499), before referred to, the Supreme Court of the United States held that it is competent to go beyond the published statutes, and sustains the position taken by Lord Coke—

"That every one is bound to take notice of what is done in Parliament, for as soon as Parliament hath concluded anything the law intends that every person hath notice thereof, for the Parliament represents the whole realm."

To this Justice Miller, by whom the opinion, to which there was no dissent, was rendered, adds:

"If this proposition be sound, of which there seems to be no reason to doubt, how can it be held that the judges, upon whom is imposed the burden of deciding what the legislative body has done when it is in dispute, are debarred from resorting to the written record which that body makes of its proceeding in regard to any particular statute?"

He adds, further, that the courts of last resort in several of the States have expressly decided that this may be done, and quotes—

Purdy vs. The People (4 Hill's N. Y., page 384): "The certificate of the Secretary of State that the bill was passed by a two-thirds vote is not evidence that it was passed by a two-thirds vote; at least it is not conclusive evidence. The journals kept by the two houses may be resorted to in ascertaining whether an act was passed by a two-thirds vote."

De Bow vs. The People (1 Denio, page 9): "The question whether a particular act received the assent of the required number of members is to be determined by the court, who is for that purpose to examine the original law on file in the office of the Secretary of State."

Fowler vs. Pierce (2 Cal., page 151): "The court may go behind the record evidence of a statute and inquire whether it was passed or it is not a law, according as the truth of the fact may be, and not according to the constitution."

Matter of *Wellman* (20 Vt., page 656): "But it would be unsafe as it would be unfit to allow the commencement of a public law of a supposed law can defeat the will of the

whenever the question may arise, whether at or near distant time, to depend upon the uncertainty of parol proof or upon anything extrinsic to the law and the authentic recorded proceedings in passing it."

The conclusion reached by the United States Supreme Court is as follows:

"We are of the opinion, therefore, on principle as well as authority, that whenever a question arises in a court of law of the existence of a statute, or of the time when a statute took effect, or of the precise terms of a statute, the judges who are called upon to decide it have a right to resort to any source of information which in its nature is capable of conveying to the judicial mind a clear and satisfactory answer to such question; always seeking first for that which is most appropriate, unless the positive law has enacted a different rule."

I am aware that some lawyers seem to think that when a law as published has been acted upon in good faith for a long series of years it becomes binding as a law, notwithstanding it was never passed in the form in which it was published, and to support this view the case of *Pease vs. Peck* (18 Howard, page 599) will be quoted. This was a case arising in the State of Michigan where a law, which was "adopted and published by the governors and judges of the then Northwestern Territory, to be in force until the organization of the General Assembly therein, unless disapproved by Congress, but afterwards the Legislature shall have authority to alter them as they shall see fit."

In a volume of laws so published there was contained a certain statute of limitation, which was re-enacted by a revision of the laws, but subsequently the phrase "beyond the seas" was dropped out of the statute without express legislative authority, and for thirty years the statute of limitation had been acted upon with the phrase "beyond the seas" left out. One of the parties to the case sought to give effect to the law as it was originally worded, but the court held "when a law as published has been acknowledged by the people and received the harmonious interpretation of a long series of years, the propriety may well be doubted of referring to any ancient manuscript to show that the law as published was not an exact copy of the original manuscript."

This case and the one under discussion differs so widely in the circumstances under which they each arose that the doctrine laid down in the former case can have no bearing on the latter. In discussing the question, Judge Grier said:

"It must be remembered that there is no allegation or pretense that the act published by authority of the Legislature differs from the original reported to them and adopted by them. That is the only original, if there be any in existence, by which the printed copy could be corrected or amended. But to correct or amend the declared will of the Legislature as published under their authority by the words of a document that did not emanate from them * * * would be, in our opinion, judicial legislation and arbitrary assumption."

The language of the court thus given shows conclusively that if the same variance had been shown between a law as passed by the Legislature of Michigan and as published by their authority no such decision of the fact may be, and not according to the shifting circumstances of parties."

Having shown, as we think, conclusively that there is a total lack of authority to sustain the view that the erroneous publication of a supposed law can defeat the will of the

law-making power, we shall proceed to discuss and maintain the doctrine that, in cases of dispute, the record made by both Houses of Congress and approved by them can alone determine what the law is.

Mr. Chairman, the decisions of courts of the highest resort, both in this country and in England, on this question are all in one direction, and all unite in bringing us to the conclusion that the law as it stands on the records of Congress is the law, and it must be our rule of action as long as it stands there. No accepted rule of interpretation will permit us to go elsewhere than to the words used to ascertain what the law means.

Vattel lays down in his first rule of interpretation for treaties and statutes the following:

"The first general maxim is that it is not permitted to interpret what has no need of interpretation. When an act is conceived in clear and concise terms, when the sense is manifest and leads to nothing absurd, there can be no reason to refuse the sense which this act naturally presents. To go elsewhere in order to restrain or extinguish it is to endeavor to elude it."

This speech was delivered nearly two years ago, and the only answer that has been made to it, was a refusal to re-nominate Mr. Plumb. Neither one of the great political papers have made mention of it, and no investigation has been ordered. As to the question whether forgery was committed or not the reader can draw his own inference.

One thing is certain, however, there is enough evidence in the facts given, together with the grave suspicion which continued silence upon the subject might imply to warrant a rigid investigation of the whole matter. It is expected that this article will provoke discussion, and possibly through this discussion the exact truth may be learned. It is a matter of the utmost importance, and nothing should be omitted that will place the subject in its true light among the people. If there has been a fraud committed it can not be disclosed too soon.

Burke said (recognizing that there is a faith due to the people as well as to the holders of public securities):

"It is to the property of the citizen, and not to the demands of the creditor of the State, that the original faith of society is pledged. The claim of the citizen is prior in time, paramount in title, superior in equity."

The Sub-Treasury Plan.

The following is taken from the Flandreau (S. Dakota) Herald. From it we learn that the sub-treasury plan is finding supporters among the wheat-fields of the great West:

Let it go naked; men may see't the better; You that are honest, by being what you are, Make them best seen and known.

The bonds of the government are being paid up from time to time so that there is but \$131,000,000 now in use in the national bank service. The \$100,000,000 of gold that was deposited to redeem the greenback is still in the Treasury, but not for the purpose of redeeming the notes made over its value. Congress will soon have to accept some other necessity on which to issue paper money. Pacific railroad bonds have been suggested as a good substitute for Government bonds. According to an article in the NATIONAL ECONOMIST, there is an idea gaining ground which advocates using the \$100,000,000 of idle gold, not in making vaults to store bullion, but in making commodious, fire-proof warehouses and elevators

for every agricultural county in the United States, of sufficient capacity to store the non-perishable products of the farm, such as wheat, corn, cotton, wool, etc. The Government to grade, handle, and care for these products for one year. At the time of taking in these commodities the Government issues a sub-treasury note equal to 80 per cent of the value. At the end of the year the warehouses are emptied, the stuff being sold at auction to the highest bidder, who pay for insurance and storage, unless the party comes before the year is out with his certificate of deposit and redeems the goods and pays 1 per cent per annum for the 80 per cent advanced to him at the time he stored the goods.

Could this scheme be carried a little further the matter of value might be of less difficulty. A system of statistics that could determine the entire amount of each commodity produced, the value of moveable capital required to produce it, such as teams, tools, etc., then the value of labor in its production, including board, in this way a national value could be established. There is a chance for better times, but not without labor looks after its own interests. Capital is at the head of legislation and opposes all schemes that will better the condition of the producers of wealth and make the laborer the lord.

Let us stir ourselves. Have we any of the blood of our liberty-loving ancestors in our veins? Do we desire the freedom of our children? Then let us uncouple ourselves as but the equal of the servile ass or the crower scratching on yonder dunghill, and let us vote and be what we should be, free and thinking men.

Oh, ye Gods! Is yonder despised and ruinous man, my lord? Full of decay and falling? Oh, monument, And wonder of good deeds evilly bestowed! When an alteration of honor has desperate want made!

OFFICIAL.

OFFICE PRES. OF THE N. F. A. AND I. U., WASHINGTON, D. C., January 16, 1890.

Appointments for the National Lecturer of the N. F. A. and I. U.:

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

Louisiana, February 1st to 15th.

Texas, 22d February to 15th March.

Arkansas, 17th March to 31st March.

Kentucky, 2d April to 16th April.

Indiana, 18th April to 2d May.

Wisconsin, 6th May to 20th May.

Dakota, 23d May to 10th June.

Nebraska, 12th June to 24th June.

Colorado, 26th June to 10th July.

New Mexico, 12th July to 19th July.

Indian Territory, 22d July to 30th July.

Missouri, 2d August to 16th August.

The President of the N. F. A. and I. U. in each of the above-named States, is respectfully requested to arrange and publish appointments in his State for the Lecturer, in conformity with the dates above named, so as to enable him to deliver an address every other day during the time allotted to his State, and to forward the list of such appointments to this office. As it is impracticable for the Lecturer to make an extended canvass of any one State, it is hoped that such points may be selected, and such publicity given, as will secure the largest attendance of the members. Especially is it desirable and important that State, county, and subordinate officers and lecturers be present at his lectures.

L. L. POLK,
Pres. N. F. A. and I. U.

THE NATIONAL ECONOMIST.

The National Economist
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Advertisements inserted only by special contract. Our rates are fifty cents a line nonpareil. 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 Farmers Associations that THE NATIONAL ECONOMIST represents as their national official organ now contain a membership of over one million, and by means of organization and consolidation they expect to number two millions by January 1, 1890.

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THE NATIONAL ECONOMIST,
WASHINGTON, D. C.

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

HOW IT IS BEING RECEIVED.

The sub-treasury plan adopted at the St. Louis meeting of the National Farmers Alliance and Industrial Union has been well received by a large majority of Alliance members and journals. It has been printed in full by hundreds of reform papers and its propositions in nearly every case discussed fairly and intelligently. The large number of editorial comments upon the system disclose an honesty of purpose and a desire to find some sure remedy for our present troubles that is truly gratifying. Besides this, many letters have been received from all parts of the country asking for further information or giving a good word in its favor. In fact, the manner in which the public generally has received this plan leads to the belief that great good to the overburdened people may come from it. And why should this proposition not be well received? It is not an idle, silly scheme, coming from some notoriety-seeking crank. It was given out as a candid, earnestly considered measure for the relief of the suffering farmer and laborer. Its every bearing was carefully and honestly examined for the purpose of eliminating every feature that could not stand the test of justness, fairness and equity to all. Every point was taken up separately and subjected to a most rigid scrutiny. Precedents were found in the history of other nations which substantiated not only its practicability but the beneficial results that would immediately follow its application. The plan was submitted to business men of more than ordinary ability and received their unequivocal indorsement. After such careful preparation it was given out to the public, and must now stand or fall upon its own worth. The one great feature of this system is the safety, cheapness and directness with which the Government can supply the producer with currency. In other words, it is the best solution of the problem so far of getting currency out among the people. For the past ten years the shrewd financiers in both old parties have known that as soon as the national debt was paid there would be but one method remaining to restore to the people the money taken from them by taxa-

tion, and that would be by Government expenditures. At this point let us state why Government expenditures do not benefit the farmer and laborer. They are always made under contract, and usually rich syndicates or contractors obtain the award. These contracts are parceled out among sub-contractors, builders, etc., etc., and when the dollar reaches the farmer or laborer he is compelled to pay the highest possible price for it. The contractor gets rich, the sub-contractor makes money, the banks get their pound of flesh, every one but those who perform the labor and furnish the means of living receive more than they are justly entitled to. This makes an unjust distribution of public funds which is one of the greatest evils of our present public policy. The fact that Government expenditure was recognized as the only means of restoring the surplus money in the Treasury to the people, led to a large number of suggestions upon that subject from prominent citizens. The late Mr. Tilden, some time before his death, advised an elaborate system of coast defenses as the best method of reducing the anticipated surplus. Many other propositions have been made of similar character to bring about the same result. Bills have been introduced in Congress to build post-offices in every town of five hundred inhabitants; to build a navy; to increase the army and its equipments; to donate it to the several States; to buy and build railroads, or begin many other national enterprises that would require a vast outlay of public money. No scheme, however, was prepared that did not give the contractor, banker, and manipulator ample power to spoliate the farmer and laborer to the full limit of endurance. This plan begins with the farmer and laborer, and gives them an even chance in the struggle for existence. The only objection so far brought against the system worthy of an answer is, the one declaring it class legislation, because it does not include all the products of the farm and factory. It would not be a fair answer to say that our banks are in that case examples of class legislation, because no one at this late day will deny that fact, and because that is true does not make this plan any better. This system came to the people in the nature of an experiment, with precedents and reasons sufficient to justify the Government in making an honest attempt to ascertain its merits. A few main staples were selected, such as were considered safe to warehouse, were always in demand, and could be most easily handled. These were taken with which to make the experiment. If successful, and there seems but little doubt, other products can be added from time to time, as the interest of labor requires. If all classes of production had been included, the great variety and immense room for storage and other equally well-founded objections would have killed the proposition at once; and yet this very impossibility will be urged against the plan by the banks and plutocrats for the purpose

of arousing jealousies among producers, and thereby preventing its introduction. When those who produce the main staple crops of this country prosper, all other producers prosper. When they make a failure all other producers are in distress. When the Western farmer is struggling to pay off the mortgage on his farm, the Eastern operative is hustling for bread; but when the Western farmer is out of debt, he is ready to buy the plow, the reaper, the carriage, the suit of clothes, or the watch that enables his Eastern brother to work for good wages and live happily. Because of this the schedule included only the great staples mentioned, and not because the benefits were to be given to a favored few. When this plan is once adopted, it can be made to serve the whole people to the fullest extent possible. But in the beginning, it is wise to so arrange the details that the least possible friction will occur, and the best conditions for such commencement are those which can be controlled with the least trouble.

THE Gresham law, as it is called, whereby the claim has been made for years that the "buzzard" silver dollar would drive gold out of the country, has failed to meet the expectations of its advocates. Like all self-styled laws of similar character advanced by financiers of a certain class, they do well enough to frighten the people, but never prove sound when practically applied. In 1878, when silver was remonetized, it was loudly proclaimed that under this Englishman's theory all the gold would at once begin to migrate. The exact reverse has been the result, and to-day the Government reports show that January 1, 1879, there was in the country \$278,310,126 of gold coin and bullion, and only \$22,495,550 of silver coin and bullion; while at the same date in 1890 there was \$705,818,855 gold coin and bullion and \$386,611,108 in silver coin and bullion. Nothing seems to demonstrate so completely the unfitness of the English rules of finance for this country as a few years experience. And nothing appears to knock the bottom out of much so-called financial wisdom like an application to real business.

One by one the props which have supported this system came to the people in the nature of an experiment, with precedents and reasons sufficient to justify the Government in making an honest attempt to ascertain its merits. A few main staples were selected, such as were considered safe to warehouse, were always in demand, and could be most easily handled. These were taken with which to make the experiment. If successful, and there seems but little doubt, other products can be added from time to time, as the interest of labor requires. If all classes of production had been included, the great variety and immense room for storage and other equally well-founded objections would have killed the proposition at once; and yet this very impossibility will be urged against the plan by the banks and plutocrats for the purpose

BELOW is given the report of the Naval Policy board, as sent to the Senate. It is a remarkable document, and shows the recklessness in Government expenditures which has seized upon that department.

The recommendations of the board summarized are as follows: Ten first-class battle-ships of 10,000 tons each and of great endurance, to cost \$56,400,000; three third-class battle-ships from 6,300 to 7,500 tons, \$11,000,000; eight first-class battle-ships of 8,000 tons each and of limited endurance, \$39,890,000; twelve second-class battle-ships, 7,100 tons, \$52,200,000; five third-class battle-ships, 6,000 tons, \$18,000,000; six harbor-defense monitors, 3,815 to 6,090 tons, \$25,000,000; one cruising monitor, 3,800 tons, \$1,900,000; eleven rams, one of 2,000 tons, ten of 3,500 tons, \$19,500,000; nine thin-armed cruisers, 6,550 tons, \$28,000,000; four first-class protected cruisers, 7,500 tons, \$15,760,000; ten first-class protected cruisers, 4,500 tons, \$28,000,000; twelve second-class protected cruisers, 3,000 to 4,500 tons, \$22,500,000; six third-class protected cruisers, 1,700 to 3,190 tons, \$5,500,000; ten gun vessels and dispatch boats, 850 to 1,500 tons, \$4,500,000; sixteen torpedo cruisers (including the Vesuvius) about 900 tons each, \$7,500,000; three torpedo depot ships, 5,000 tons, \$6,500,000; one hundred and one torpedo boats, 65 tons, \$6,565,000. This would give a total of 227 new vessels, with a total tonnage of 610,035. Of the sum recommended to be expended by the policy board \$67,965,000 has already been expended or authorized, so that to carry out the designs of the board would require a further expenditure of \$281,550,000.

After mature deliberation and much expense, this estimate is submitted. The War Department has had its innings and given its estimates, but the above simply knocks the building of more forts in opposition to the Pinkertons and the wild West picnics for the bold militia prepared by that Department clean out of the box. What do we want of all these war vessels, anyway? What would be done with them after they were built?

Possibly they might be used during the summer months by our sailors for excursions and similar necessary purposes. One point in many of the reports to Congress this session seems to have escaped the notice of the press. It is a suggestion of the necessity for preparation to meet a possible war. The Secretary of War urges an increase of the army, the building of extra fortifications in

many places, and the training of the militia in the hardships incident to camp life. The Navy Department recommends an immediate equipment of what ships there are with better guns, and the construction of a large navy at once. The Treasury Department, through the Comptroller of Currency, asks for an increase in the profits of the National banks, and a continuance of that system on the grounds of their past patriotism, and, as he says:

It is wise to remember that it may be impossible for this Government to always remain at peace with other nations, and that wise statesmanship will encourage a state of preparation adapted to every possible emergency. The present system of national banks is one of the agencies already created on one hand, which will be found very valuable should the United States again become a borrower.

Now, what does such insinuation mean? Are we to have another war? It has been stated over and over again that the plutocracy of this country would resort to any measure that would insure their present status among the people. It is fair to assume from these reports that some line of action has been determined upon, and that the people are being in this manner pre-

pared for its announcement. It is neither standing armies nor a vast navy that will control the people of this country, and those who place such a low estimate upon the patriotism of our citizens should be driven from our midst. The people of this great nation cannot be governed by force; the idea is repulsive. It is against the genius of our Government, as given us by its founders. Every citizen of his own right is a sovereign, and should stand equal with all other citizens before just laws. Where such conditions are assured, when "equal rights to all and special privileges to none" obtains throughout our entire land, the patriotism of the people will be our army, the love of country our navy, and general prosperity our strong defense. What we want is a government of the people, for the people and by the people, and as a nation we are nothing unless these sentiments prevail. As it is, those who talk of armies, navies, and other methods of force in connection with the people's Government must be rebuked, and all officials who indulge in such phrases should be relegated to private life at once, as being unsuited to take a part in the administration of a free Government.

How will the census enumerator manage this? In some parts of the West, when money is loaned no mortgage is given; the borrower gives a deed of the premises to the lender, taking a contract in return that when all the provisions of the mortgage are fulfilled the borrower will receive back a deed for his land. This does away with the bother of foreclosure, and greatly facilitates the method of securing a man's farm by mortgage instead of purchase. It is said to do the business about nine times out of ten.

THE resolutions printed below will speak for themselves. They are from Hall County Alliance, in Georgia:

Whereas having read and studied the sub-treasury plan, as set forth by the N. F. A. and I. U., therefore be it

Resolved, That we, the Hall County Alliance, do fully indorse the plan in every detail, and pray God that the day may speedily come when we shall fully realize it, and we will stand by the committee in its accomplishment to the very last.

Resolved, That a copy of this be furnished the State and national organs.

THE State Wheel and the State Alliance of Kentucky have been consolidated. The subordinate organizations of both orders have ratified, and the presidents issued proclamations declaring their existence terminated, both being merged, with S. B. Erwin president, whose proclamation of consolidation is as follows:

Whereas, the presidents of the State Agricultural Wheel and Alliance of the State of Kentucky have issued their proclamations dissolving said State Wheel and Alliance of Kentucky:

Therefore, I, S. B. Erwin, President of the State Farmers and Laborers Union of Kentucky, do proclaim that on the 1st day of February, 1890, the Constitution, By-Laws and secret work of the Farmers Laborers Union, shall come into force and effect, and that all officers and deputies and agents of said Union shall enter upon the discharge of their respective duties and that all county and sub-wheels and Alliance shall go to work under the Union, Constitution and By-Laws and secret work immediately on and after the 1st day of February, 1890.

RAILWAYS:

Their Uses and Abuses,

AND THEIR EFFECT UPON REPUBLICAN INSTITUTIONS AND PRODUCTIVE INDUSTRIES.

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

NO. 41.

THE AIM OF POOLS SHOWN BY THEIR NATURE.

The inference even from those arguments which present other pretexts for the existence of the railway combinations and pools is that competition is the one enemy against which the railways must unite. This is corroborated in its bearing upon the real purpose of those combinations by the study both of their nature and of their history.

Let us make the point at issue clear beyond a doubt by saying that we are not discussing the rightfulness of combinations for legitimate purposes. There are immense numbers and variety of objects for which combinations, in all classes of industry and among corporations as well as individuals, are legitimate and praiseworthy. The Farmers Alliances and Granges need only be

mentioned to furnish a case in point; and it is no more than fair to recognize that there may be purposes for which united action among the railway corporations may be just as clearly for private interest and public good. But when a steady and set purpose of combination has been followed by the railways for fourteen years, it is a vital question whether the object aimed at is legitimate or is opposed to the public interest. More than that, when in the discussion of these organizations a number of legitimate aims, such as the establishment of through rates and the facilitation of through shipments, are urged in conjunction and skillfully confused with the illegitimate ones of obstructing and preventing the competition which will place them upon an equality with the other industrial interests of the nation, it becomes a vital point in opening the argument to determine beyond all future dispute what the real purpose of the combination is.

Resolved, That a copy of this be furnished the State and national organs.

To settle this point let us first consider the nature of the combinations which have been formed between the railways. First in the order of growth is the agreement to sustain rates at certain points between the railroads competing at those points. It is obvious in the nature of things that there is no necessary relation between such an agreement and the formation of through routes or the establishment of improved facilities for the

shipment of freight for long distances. Say that the different railroads competing for business between New York and Chicago form an agreement to sustain the freight rates between those two points at fixed figures. It will be seen that such an agreement has no relation whatever with arrangements for shipping goods from New York beyond Chicago to points in the Northwest or to the Pacific coast. To complete the arrangements for such through shipment will require another and distinctly separate agreement. The fallacy of urging the first agreement as a method of realizing the second purpose is made more striking by the fact that the latter requires an agreement between entirely different corporations. The agreement to sustain rates between New York and Chicago necessitates the combination of all the railroads running between those two cities. The agreement to establish through rates from New York beyond Chicago to San Francisco requires the combination of but one railroad from New York to Chicago with the connecting lines beyond Chicago to Omaha and thence to the Pacific coast. It is decisive as to the purpose of agreements to sustain rates that when the policy of combinations was entered upon that form of agreement which was calculated to suppress competition was adopted without the slightest reference to, and wholly distinct from, the agreement which would establish the greatest facilities for through shipment or for the other objects which have been alleged, as quoted.

The same point is equally decisive with regard to the division of territory. In this respect it will be seen that the abstract principle of making each railroad confine its operations strictly to a fixed territory, in which no competitors shall have anything to do, must be violated when either one railroad or another makes arrangements for shipping goods beyond its peculiar territory into those of another. It is true that if the railroads had ever adopted the division of territory as a general method of preventing competition, an exemption would probably have been made in regard to shipment of through freight from the territory of one road to that of another. As no such policy has ever been generally entered into by the railroads, it is enough emphasis to this point to point out the fact that the principle which would separate the railroads and give each a territory over which it should be supreme, and in which no other carrier should have any control or interest, is wholly foreign from and opposed to that of the improvement of facilities for shipment of freight or the general bettering of railway service. Its nature would be solely and clearly for the suppression of competition. Entirely distinct agreements, modifying its nature and establishing exceptions from its rule, would have to be adopted before the railroads could afford modern and adequate facilities for the through traffic of the nation.

Next in the order of development are the

pools. It hardly needs any argument to out that an arrangement which unites all the traffic of a number of competing railroads at a certain point into one common total or pool, and divides either the traffic or the revenue obtained from it among the different members of the pool in accordance with fixed ratios, has no other purpose than that of taking away the incentive to competition. Railroads united in such a pool have no inducements to offer facilities to the public to patronize their lines and thereby to procure an enhancement of traffic. If a railroad secures large traffic by such means, the pool will take away the increase and give it to less enterprising rivals. If the railroad abstains from offering inducements to shippers and passengers, and thereby loses business, the pool will make up to it all the business that it has lost. The effect of such an arrangement, far from stimulating facilities for improved service and inducing establishment of the most complete arrangements for through rates, is exactly the reverse. A railroad in a pool whose managers neglect to arrange for a single line of through shipment beyond the boundaries of the pooling territory, will lose nothing by it; the member of the pool which makes the most complete arrangements for connections to all parts of the country will gain nothing by it. The pool divides the traffic, or the money arising from it, between them in just exactly the same proportion, whether they afford these facilities to the public or not. So far as the nature of pooling combinations is concerned, the characteristic form of their organizations which gives them their name, is not only foreign to the purposes of improved and better methods which are alleged by Messrs. Fink, Alexander, and Walker, but it takes away the greatest premium upon such improved methods and facilities if the object which really does characterize it is attained, namely, that of suspending the competition between the members of the pool. A single point of resemblance between railroad combinations for through shipment, and the combinations between competitors which are formed by the pooling device has been used to complicate the subject. The railroads forming a connecting through route between two distant points divide the revenue earned by the through traffic between each other in accordance with fixed ratios. This union and division of the revenues arising out of through traffic has been represented as similar in character, and a part of the same policy as a union and division of the traffic of all competing railroads between common points in accordance with arbitrary ratios. I can not but believe that every such representation is made with a deliberate intention to confuse and mislead the public. The falsity of it can be seen by a very little comparison of the different circumstances governing the division and the performance of the service. A through rate from San Francisco to New York necessitates the division or apportionment of the

revenue, first, to the Pacific railways crossing the plains and Rocky Mountains; second, the railways bringing the freight from the Eastern terminus of the first to the Mississippi river or to Chicago; and third, to the trunk line taking the freight from the latter part to the Atlantic coast. No pooling combination ever covered that territory, and it is significant as to the purpose of the pool, that no attempt was ever made to establish a pool which should reach from the Atlantic to the Pacific coast. The wholly separate nature of the two combinations is shown by the fact that one is an agreement and division of traffic between connecting lines; the other a union and division of traffic between competing lines. The entirely distinct results effected by each also appears from the fact that the apportionment of joint traffic is made strictly with regard to the amount of service performed by each railroad carrying the through traffic, while the union and apportionment of competitive traffic by the pool is made without regard to the amount of service, and the division is given to each railroad irrespective of the fact whether it performs the full amount of service or not.

The widely separate and even antagonistic motive which governs the two classes of agreement has a remarkable illustration in the pamphlet of Mr. Walker, which was quoted from in the preceding article. While Mr. Walker indulges in the usual railway method of considering the arrangement for through rate and the combinations between competing lines as co-ordinate parts of the general policy of railway association, he is unable to avoid the involuntary recognition of the fact that the motive for establishing through rates and making the most favorable arrangement for shipping freight long distances are entirely separate. With regard to the apportionment of the receipts from joint or through traffic between connecting roads, he says that railways do it "for the sake of increasing their own traffic," and again that "lines having more than one outlet are sometimes able to sell their traffic to the highest bidder." Both details are imbued with the very spirit of competition. The pooling of competitive traffic on the other hand is expressly framed for the purpose of taking away the inducement to increase the traffic, and of preventing by any means within the power of the combined roads, the force of competition from making itself felt upon the traffic within the control of the pool.

The trust, or combination of control, has never yet become a realized part of railway policy, but it is evident that if such a policy should be attempted, the motive in it would not be the increase of facilities for through shipment or any other improvement in the service which would benefit the public. The best evidence of this fact can be found in the assertions by the pooling advocates, of the perfection of such arrangements at the present time. While the present forms of combination may be unsuccessful in com-

pletely stifling competition, the statements of our corporate friends show that the failure does not extend to the satisfactory working of the facilities for improved service which are alleged in their behalf. Whether the railroads compete or not, through bills of lading and the rapid exchange of freight between connecting lines will go on just the same. The sole inducement to the more concentrated and permanent form of combination known as the trust, by combining the controlling interests in the various railroads under a single ownership and control, will be exclusively for the purpose of stifling the competition which the looser and less enduring forms of combination have been so far unable to conquer. No argument in favor of the adaptation of the trust policy to railroad combination has ever yet dreamed of urging the facilitation and improvement of the present facilities for shipping freight over the different railroads; but the sole argument has been the steady and real one of suppressing the competition which is so inconvenient to the policy of railroad management.

One excuse may be noticed for the allegation of these legitimate purposes as the object of the pools and combination. Under certain circumstances they have been so completely defeated in their real object, that these legitimate purposes are the only ones which they really attain. The combination over which Mr. Walker presides, furnishes a signal illustration of this fact. Like all other railway associations of the present day, it is a survival of the pools which were abolished by the Interstate Commerce law; but, it is somewhat exceptional in the carefully devised multiplicity of details by which railroads within its jurisdiction were to be prevented from competing with each other. These agreements, embracing a system of pecuniary penalties for carrying competition to the point of reducing rates, show a distinct purpose to find some means of evading the legal prohibition of pooling without coming into actual collision with the law; but the fact that the law prevents any general and wholesale pooling of the traffic or revenue of the railroad comprising this organization, has practically reduced this organization to a nullity so far as it prevents competition between the railroads of the northwest. The Interstate Railway Association has been proven by experience to be nothing more than a detailed agreement to sustain rates. Experience has likewise demonstrated that such an agreement is, as Mr. Alexander has said, nothing more than a rope of sand, in its endeavor to restrain the power of competition. The practical result therefore is, that Mr. Walker's combination is only efficient in its secondary function of providing for the apportionment of through traffic, the establishment of uniform and joint bills of lading and the other legitimate purposes for which combination between a large number of connecting and competing lines may prove very useful. It

aimed at a different purpose. Its assumption of this secondary function was subordinate to, and adopted solely for, the purpose of carrying on more successfully its characteristic object of preventing the railroads of the Northwest from competing with each other. But having no more power than the original agreements of fourteen years ago, resting as Mr. Walker says, upon "simply good faith among the members," it has been utterly powerless to restrain the force of competition, and has only succeeded in the legitimate aims which it undertook, in the hope that thereby the attainment of its real purpose might be more successful.

If the argument in favor of railway combination had no other purpose than to excuse the existence of the present associations, the fact that their main purpose is to prevent competition might be overlooked in view of the equally important fact that in their present form of organization they are unable to effect that purpose. Solely with reference to their present existence, the allegation of the legitimate aims for combination which has been made might be accepted. But when these arguments are advanced with the distinct object of preparing public opinion for a movement to legalize more concentrated combinations and to permit either the device of pooling or the device of trusts, it is no more than is required for a clear understanding of the question to point out the misleading nature of the argument that such forms of combination are necessary for the best facilities for railway service. Every argument from which we have quoted with regard to railway combination has advocated the legalization of pools as a necessity for the full usefulness of railway association. As these legitimate purposes of association between the railroads are now fully attained, it is evident that every effort to obtain public toleration or legal sanction for the more enduring forms of combination has for its exclusive object the attainment of that purpose which the present combinations do not reach, namely, the suppression and abolition of the competition which now is more powerful than the associations that the railroads are able to establish.

Thus it will be seen that the arguments from the nature of the combination which the railroad has made their uniform policy ever since the railroad question became a leading one, permit of but one conclusion. The agreements to sustain rates, the agreements to divide territory, the agreements for the pooling of traffic or pooling of revenue, and the combinations of control, known as trusts, are, by their very nature, calculated to subserve the same purpose, that of suppressing competition. Not one of them has been framed with the leading purpose of improving the railroad facilities or enhancing service; every one of them has been framed with the idea of taking away the inducement to the enhancement of service as well as the reduction of rates provided by

competition. Not a single one of the earlier and weaker forms of combination was abandoned for a stronger organization because it failed to perform the service of affording through bills of lading or establishing through routes of shipment. Every such change to the stronger forms of combination was made simply to secure the object which the weaker forms failed to secure, that of preventing the competing railroad from lowering rates in order to secure business. The one universal and controlling purpose which has presided over all these combinations and inspired every effort to make them stronger and more binding has been that of obstructing and abolishing the force which induces railroads to lower their rates or provide better facilities in order to secure the profit of enhanced business.

One more point will be considered in the next article in order to clinch beyond all question the utterly misleading and specious representation of the pools and railway combination as efforts to facilitate the legitimate discharge of railway business; but the nature of the combinations that have been formed is conclusive as to their purpose. When railway policy for fourteen years has comprised five different forms of combination, each separate in the method of organization but all aiming at the same purpose, the object of that policy is placed entirely beyond dispute. The nature of the railway combination shows the purpose of the combination policy. They are framed to suppress competition, and the performance of any other function is entirely secondary to and foreign from the nature of their organization as establishing the first.

For the argument as to the legitimacy of railway combination, therefore, the conclusion from this article is pregnant. Every point upon which railway combinations vary in their form of organization is entirely in unison and consistent with their ultimate and overriding purpose to abolish competition as a regulating force in railway business.

Why is it that doctors' bills and lawyers' fees are just as high as when wheat brought \$2 per bushel? Why is it that ministers and school teachers receive as high salary as when beef brought 5 cents per pound? Why is it that the salaries of public officers are being continually increased, and the number of offices multiplied? Why is it that the President's salary is not reduced to \$25,000 per year in order to correspond with other conditions? Why is it that Senators and members of Congress become millionaires in a few years on a salary of \$5,000 per annum, that in nearly all cases won't pay their house rent? Why is it that the bankers wear diamonds and live in palaces? Why is that the farmer —?

THE ECONOMIST has received a strong set of resolutions from Pine Grove Union No. 134, Catahoula Parish, Louisiana, indorsing the action taken at St. Louis. Also many other resolutions and letters making in the aggregate too much for publication.

THE NATIONAL ECONOMIST.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

OVER-PRODUCTION.

From the debate in the United States Senate upon the Alliance proposition to take the number and amount of land mortgages in the several States and territories, it appears that opinion is generally entertained that the depression in agriculture is due to the fact that production has overgrown the ability of the people to consume. This, as an isolated proposition, is true; but it is only true because the normal rate of consumption is decreased to a far greater extent than the food supply has been increased. The proposition

that the disproportion existing between production and consumption is due wholly to increased production is false. It is due mainly to the inability of the poor to purchase their normal ration, and to the cold, hard, cruel fact that the great mass of toilers are underfed, both they and their families. They have been reduced to prison rations for criminals kept in idleness, while they toil in vain to support themselves, their wives, their aged, and their little helpless ones, in their humble homes. If our people were able to occupy habitable dwellings, to cover their nakedness with decent apparel, and while denying themselves every luxury, to put in the mouths of their households enough to eat, they could readily consume at home a great very great part, if not the whole, of the beef and dairy products which are sent abroad for sale. Four-and-a-half pounds of bread and vegetables and one pound of beef represents a maintenance ration for a man at ordinary labor. This estimate is based on beef exclusive of bone and from the gross weights at the butcher's block, 20 per cent must be deducted when we estimate the ration. But this deduction of 20 per cent applies to the whole carcass. Only one-third of the carcass is first class beef; these parts the poor can not buy; the estimate of 20 per cent bone and waste tissue is too low for the poor man's beef. His normal consumption, therefore, of butcher's meat rises to 1½ pounds per day, backed by bread and vegetables 4½ pounds, is a maintenance ration, barely sufficient to sustain the body, repairing the waste of toil and exposure, every luxury denied. As a fair average for bread and vegetables, including waste, for the entire population of the country the maintenance ration will be not far from four pounds, and the meat ration of raw butcher's meat one pound. Are there then, 66,000,000 of people here to be fed at this time? If yea, it takes 66,000,000 of pounds of butcher's meat per day for the normal maintenance ration of these people. Twenty-four thousand and ninety millions of pounds of butcher's meat is the normal ration of the American people for one year. Do they get it, Senators? You know well they do not, and you have no right to begin to talk about over-production until you remedy this under-consumption, or do what is humanly possible to remedy it. A few years ago, this writer advised a very honest working man of Washington city to have performed upon his wife a simple surgical operation. He replied, "If I were to pay for that, we could not eat a piece of meat in my house from now until Christmas." Is it not plain that this man's household could not consume a normal ration? There are fifty per cent of the population of your Capitol city, Senators, who can not honestly earn and pay for a

normal ration. During the week just closed your health officer reports deaths among the whites twenty-three and a fraction per one thousand; negroes forty-eight and a fraction per one thousand. Have these figures no meaning? They tell you, Senators, that these people are underfed. One who knows well what he is saying tells you here that unless you know why two negroes for one white die constantly in Washington you are lacking information you ought to possess. You seem to delight in committees to inquire all about the welfare of this race; it is suggested that before you make any more over-production speeches you raise a committee to inquire into this. But the matter does not stop here. There are helpless people living in Washington on income investments. Two decades ago they had Government non-taxable 8 per cent bonds, gold bearing, and if worth \$100,000 so invested had incomes of \$8,000 a year. You know well that safe par investments at above 3 per cent can no more be had. The income of the family under discussion came down to \$3,000 a year. Have rents, and provisions, and hires, and taxes correspondingly decreased? Very far from it. Nor can this family continue to be honest and get a normal return. But how stands the matter in other great cities? In Baltimore the city and State tax aggregate 2-10 per cent. A 3 per cent par investment of \$100,000, less taxes and expenses, does not yield \$1,000 a year. Can a family live there on that income? No; and it has come to this, that a helpless family worth \$100,000 is too poor to live. In view of this condition of things it is not strange that butter so lately worth from 40 cents to a dollar a pound in Washington now has to go abroad to fetch 30 cents. Is this over-production? No; the eaters of 40 cent butter eat it no more; they have fallen back on cheap glucose syrups to moisten their dry bread. Is that over-production, or under consumption, Senators, which? Is it over-production of money, also? or why is interest only 3 per cent on good investments? The ability to use money profitably is destroyed, and the hire of it decreased accordingly. There is something in the state of Denmark which is rotten, and that something it is much to be feared is Denmark. It is the rottenness of bargain and corruption with which the State is putrid, and the taint of which has blood-poisoned the nation. Remember that the one only source of the magically potent energies of all labor and industry is the potential energy of food. And if the people lack food in the midst of elevators bursting with the fruits of toil, mark the word, elevators, not barns; if the people are destitute while uncounted millions of their money lie idle, useless, a cankered and corrupting hoard in the vaults of the treasury; if other millions of their money are held from them at usurous rates and denied them by law in the name of that monster, the national bank, can matters, think you, Senators, go on at that rate and the people be satisfied with stale maxims drawn out of the ancient repositories of meaningless verbal trash? Never. You have destroyed the ability of the people to consume, and now you charge them with over-production. It will be well if we hear nothing further on that line.

THE NATIONAL EXPERIMENT STATION.

A thing which has been several times advocated in these columns seems about to take shape. The Secretary of War agrees to turn over to the Secretary of Agriculture 300 acres of the Arlington property for the uses of the experiment station, and application has been made to Congress to ratify and carry into effect this agreement, and to clear the property of some families of negro squatters who by some means have become domiciled there. Nothing should be allowed to stand in the way of the completion

THE WEATHER BUREAU.

The transfer of this bureau to the Department of Agriculture is, it is understood, again opposed by General Greely, the present head of the bureau. On what grounds, it is difficult to perceive, since his own reports of

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of this arrangement, and it is to be supposed that nothing will be. The bureau of animal industry will be quartered there at once; also the division of forestry, and sooner or later, very likely, the whole scientific establishment will go there, and finally expand until it comes to be the greatest of all scientific establishments, doing the greatest work in the collection, authentication and popular diffusion of useful knowledge throughout the whole range of science applied to agriculture and rural economy. Secretary Rusk in promptly taking measures to secure the organization of the nucleus of such an establishment is probably building wiser than he knew. This is an example of the difference between a Secretary of Agriculture and a commissioner ranking with the clerk of the Secretary of War. Would the Secretary of War have gotten into a carriage with the commissioner of agriculture and ridden over the land and discussed the merits of the commissioner's proposition and agreed to promote his wishes in the matter? Everybody knows better than that. Could the Secretary of War decline the invitation of the Secretary of Agriculture? Everybody knows that he could not. We have formerly said all we cared to say of the importance and value of a national experiment station, and the necessity of locating it at Arlington, and on the reclaimed flats. An island will be especially suited to the work of the investigation of contagious diseases and preventive inoculations. After a while we shall see the proposed Lincoln-Grant memorial bridge, and the national experiment station will come to be the most interesting and valuable scientific establishment in the world.

THE NUTRITION OF PLANTS.

If your mind is stumped by the proposition that "it is absurd to suppose that a plant can absorb any portion of its nutritive materials except in a state of solution," as the case is put in a letter before us by a very positive writer, reflect on this. The carbonic acid of the air is not in solution, and yet from this compound the carbon is taken up and the oxygen rejected by the plant, according to all teachers of vegetable physiology. It is the opinion of this writer, as detailed in former numbers, that plant food does not exist in the soil in a state of solution, but of combination with the mass of the soil, such that it cannot be extracted by water. It is not his opinion that the roots take up mineral matter in a solid form, but that they are endowed with the power to separate mineral matter from the soil with which they are in contact and bring it into solution in the act of absorption, a power analogous to the power of the stomata of the leaves to separate carbon from carbonic acid and bring it into some other combination capable of absorption and afterward assimilation, a power which belongs to a plant as a living organism, for neither is mineral matter extracted from the soil nor carbon from the air by a dead plant. Let us then take a plain, common-sense view of the matter, and understand that there are no solutions of plant food flowing about in soils to be taken up by roots, but that the roots have to spread about through the soil to get themselves in contact with the nutritive material and exert their powers to dissociate it from its connection with the mass of the soil and bring it into absorbable and assimilable conditions. Very erroneous conceptions prevail widely on this subject, and they lead to much erroneous farm practice. If the roots must go in search of nutrient

instead of the nutrient flowing through the soil to them, when we fertilize we ought to put the manure where the roots can get at it and not scatter it at random. Shall we drill in guano with the seed, or broadcast it upon the land, for example?

THE SOUTHERN FARM.

The thanks of the writer are due the publishers of the Southern Farm for a copy of that valuable publication, with a most excellent likeness of its founder, that remarkably gifted young Southerner, Henry W. Grady. This, the January number, contains also the full text of that remarkably bold and eloquent speech delivered by Mr. Grady in Boston so shortly before his death. The writer does not trust himself to attempt, at this time, any comments upon the pathetic circumstances of that lamentable event; nor is it a purpose now entertained of entering upon a discussion of that vast problem so strikingly stated in this noble speech. It is the opinion of the writer that if anywhere on earth there is a hope that a home may be found where the negro may maintain a civilized footing, and by degrees advance himself to such a position in the industrial world as to command respect, it is at the South. But if this hope is to be realized, those bitter tongues dipped in the oil of a malignant fanaticism, must cease to rail. Such men

are the most dangerous enemies to the prospects of this race. Its position is critical; its future trembles in the balance. It is to be hoped that the substantial men of the North have reached a point when the ravings of demagogues can no longer pervert their judgment.

Significance of the Plan.

The following intelligent comment is from the Industrial Age (Duluth, Minn.), and should be carefully read:

The plan adopted by the Farmers Alliance and Industrial Union, and now being urged upon the government, for the erection of warehouses and elevators for the storage of farm products, is one of the most significant movements of the age. With the elevator system of the country passing into the hands of foreign syndicates and speculators, it is about time for the people to nationalize the business for the protection of the American producer against the greed of capitalists, foreign and domestic. We permit the distiller to store his products in bonded warehouses where it may remain for years without the payment of the tax, until he finds a market to suit him. Surely the producers of the grain and cotton are as well worthy of consideration as the distiller. The government practically loans the distiller the internal revenue tax due on his liquors until he can find a market, and why not exercise the same care for the farmers and planters of the country? But monopoly objects to the scheme because of the expense. How very economical all at once, just because the tillers of the soil are to be benefited! The government partially repudiated its own currency until it was only worth forty cents on the dollar, and then converted it at par into bonds at a premium, and not one word of objection was raised by monopoly because it was expensive to the wealth producers of the country. Our 5-20 bonds were payable in the currency of the country (greenbacks) after five years, but the government changed the contract in favor of the bondholder and against the people, and these monopoly doctors extolled it to the skies as wise legislation, notwithstanding the fact that it practically increased the indebtedness of the people without returning any equivalent. The government under its contraction policy, burned up its debt-paying medium, instead of paying its debts, and the henchmen of monopoly paraded it before the world as "strengthening the public credit." But now that the farmers ask such protection as will assist them in paying their personal indebtedness, and thus strengthening their own credit, monopoly is astounded at the tremendous bill of expense that it will make. But monopoly is fast losing its power to formulate opinions for the people to endorse. People are thinking for themselves and are rapidly getting into shape to take a hand in the management of public affairs, and they do not ask the tools of monopoly, political demagogues and place hunters, for their advice. The people are formulating their demands, and legislators who refuse to heed them may expect at an early day to take back seats, where they can take a long rest from the cares of office.

Ellis County Mirror (Waxahachie, Tex.):

Let those who oppose labor organization, remember, that while it brings into active opposition against monopoly, power and resources hitherto dormant, it at the same time, represses many vicious elements, and directs into peaceful and lawful methods, forces that would finally go against the present condition of organized society, if let alone.

The Lecturer's Duty.

The following lecture was delivered by B. B. Turner, of Broad Run, Fauquier County, Virginia, to his sub-Alliance. Such talks weekly in each of the fifteen thousand bodies in the grand total of the order would soon put the people to thinking. Once thinking, action would follow, and the grand duty of the Alliance would be accomplished without apparent effort. Just the suggestions made by Brother Turner should be made throughout the entire order:

In our manner of proceeding, or in our order of business, there is a call for a lecture. Since our first two or three meetings that part of our exercises have been entirely neglected. At a subsequent meeting it was decided, by a vote of this Alliance, that in order to make it easier for that officer, and also more instructive to our members, he or some one else for him should select and read to the Alliance an article from THE NATIONAL ECONOMIST. Since the passage of that resolution the lecturer has never been called upon. A few meetings afterward it was resolved to meet every Saturday, and that each alternate Saturday should be devoted to the lecturer. Neither was that ever carried out.

Now, sir, I have been told by those who ought to know that this portion of our exercises was considered by the farmers of the Alliance as second in importance to nothing that was done in the Alliance. Indeed, sir, it was deemed the foundation work upon which all else was to rest. Our county lecturer especially recommended it to all the county Alliances at one of our county meetings. We in our meetings should lose no time in trying to forestall them. They contend that these measures are not democratic; they tend too much to centralize the Government, and how quick will plutocracy be to say so too!

This revolution is coming, my brothers, and I do not fear that it will not come. As well try to stay the incoming tide of the ocean. But there are different ways in which it may come, and I would fain select the most beneficial. Are you aware, my brothers, that every day which it is delayed makes it more difficult to prevent the worst? Day by day our brothers are falling before the relentless mortgage foreclosure; day by day homes are destroyed and hope is buried. Where hope is dead desperation lives.

There seems to have been some opposing movements in the horoscopic vision. Mr. Sherman, an honorable Senator (and I think he was the same Sherman who was once Secretary of the Treasury after his friends threw him over the left shoulder as candidate for President), came to Washington and tried to forestall all luck for the Secretary of the Treasury. He said there was a law then and there by which all the surplus in the treasury could be emptied without paying any premium on the bonds. This same Sherman was mad, and he wanted to do something spiteful. His friends had emptied his barrel for him and then kicked, and when he looked over and saw Fairchilds fill his in the self same manner as he had filled his own he was double mad. Not only was this particular Sherman striking at Fairchilds, who was then Secretary of the Treasury, but he was trying to forestall all luck for future secretaries. I shall never like that Sherman, for after he had rode resplendent under the astrological zenith to the happy tune of ten millions he essayed to change the run of the planets and to bring bad luck upon the granite building facing

very thing here among us last fall, and now many of those very men think if they had it to go over they would act differently.

So important did the framers of the Alliance consider the educational part of the order that they established the ECONOMIST under the direction of most able thinkers. Well have those men justified the opinions formed of them. Such a paper does not today exist in America—but what is the good of its sheets filled with wisdom and instruction if it does not reach the people. The measures proposed and decided upon by the St. Louis convention are measures of the deepest wisdom. Indeed, it seems to me that they are God suggested measures. Thus much has He given to the prayers and efforts of the few working almost single-handed we may say, but the many must be benefited with the few, and the many must also perform their parts. It is our part, my brothers, to spread these doctrines, and we should no longer neglect it. You may say that they speak for themselves; that no man could be so blind to his own interest as not to receive them, but you would be mistaken in that. I have heard them already combatted, and that, I am sorry to say, by Alliance men. If the vote were to be taken today many Alliance men would be against them.

I am not discouraged by that. It only shows the importance of education, of leading men's minds to grasp new truths and to discard old errors. Prejudices are so strong in some that the truth will have to thunder long at their doors ere it obtain admission. It is for such as these that the emissaries of plutocracy will soon be seeking, to chain them in their palaces. We in our meetings should lose no time in trying to forestall them. They contend that these measures are not democratic; they tend too much to centralize the Government, and how quick will plutocracy be to say so too!

This revolution is coming, my brothers, and I do not fear that it will not come. As well try to stay the incoming tide of the ocean. But there are different ways in which it may come, and I would fain select the most beneficial. Are you aware, my brothers, that every day which it is delayed makes it more difficult to prevent the worst? Day by day our brothers are falling before the relentless mortgage foreclosure; day by day homes are destroyed and hope is buried. Where hope is dead desperation lives.

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President and my brothers, that we neglect this most important part of our work no longer. Think me not a sensationalist because I tell you these things. One by one the rain-drops fell upon the mountains and valleys around Johnstown, and when the torrents swelled by their aggregated force, were already bursting through the dam of the lake, the waters from which bore destruction through the city below, the one warning them of their danger was called a sensationalist; but was he, my brothers? When one gives warning of an imminent, fast approaching danger, is he a sensationalist. I ask again, my brother, why has this part of our duty been neglected? Think you that the powers of plutocracy will let these resolutions of reform pass upon the recommendation of a convention? I tell you, sir, they will not. They have got to be decided upon by the vote of the people, and the people should prepare themselves to make a wise decision. Sure there never was a case where so much at stake. Upon this decision depends the continuance of our free institutions, the existence of our homes, the liberty or slavery of our children; not that slavery where the slaves is cared for in sickness or in old age by the owner, but a slavery where the very best efforts of manhood are exacted, and where in sickness and in old age he is cast off to die as the dog dies who has no master to care for him.

To the Secretary of the Treasury of the United States.

BY HARRY HINTON.

MY MOST HONORABLE SIR: May the most choice blessings of heaven and earth attend you. All in confidence I write to congratulate you on your good fortune and to show my contempt for those who invidiously criticize your patriotic endeavors. Washington is certainly a city of magic. Any one whose nativity may have been cast under the right conjunction of the planets may go to Washington and remain awhile, and perfect strangers will come up to him and make him presents of thousands of dollars of stock in railroads, mines, telephone patents, banks, or any other institutions and corporations. These things are certainly true, for I have known a great many men who went to Washington quite poor and came away as rich as Croesus. Harry Hinton is somewhat afraid that you are not in luck; but if you are please let him know so he may come and walk in your shadow.

This revolution is coming, my brothers, and I do not fear that it will not come. As well try to stay the incoming tide of the ocean. But there are different ways in which it may come, and I would fain select the most beneficial. Are you aware, my brothers, that every day which it is delayed makes it more difficult to prevent the worst? Day by day our brothers are falling before the relentless mortgage foreclosure; day by day homes are destroyed and hope is buried. Where hope is dead desperation lives.

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the crowd, some one put there for the purpose would call out "three cheers for Gen. —," and the work was done. Men who had just ten minutes before declared they would never vote for such a man again would become pliant tools in his hands, and swallow their words, drawn away from their avowed principles, and why? Because they could not give a sufficient reason for the resolution they had taken, they could not realize the importance of the matter. Sirs, we saw that

the Capitol. I hope none of the misfortunes which this fretful man tried to bring on has befallen you, and you are compelled to carry a large surplus and reserve fund rather than to pay such heavy premiums on the bonds.

I wish to put you on your guard. When you get to moving specie chloroform the news-men. They are certainly very pestiferous. You cannot do anything in moving specie but they will publish it all over the land.

The banks out in this section are all willing to pay 5 to 6 per cent on deposits, and perhaps more if they can get a guarantee of four years. You have \$50,000,000 surplus, at 5 per cent interest, brings \$2,500,000. The Government wants 1 per cent, which is \$500,000, and this leaves a clear gain of \$2,000,000. Then again, the Government has over \$100,000,000 of specie on hand. Now there would be no particular danger in lending a small quantity of that, provided you could move it without the news-men finding it out.

Now I am going to make you a fair proposition. I will guarantee to lend this money for you at 5 per cent per annum and take Government bonds as security at par and in hand (these bonds then would be better than the money), provided you will give me 1 per cent commissions. You understand, I will take Government bonds as security and at par, and deposit them in your hands, and we will lend all the surplus and so much of the reserve fund as we can utilize, and collect the interest. Suppose all the banks break and go the way Ward's ducks went, we will come out as the finest Secretary of the Treasury since the days of Alexander Hamilton. For we will give out that we bought one hundred millions of bonds at par. Sherman may talk of his great financing ability, but here is a piece of financing that beats the world.

I think we can safely risk out a hundred millions on bonds, and that at 5 per cent (if this is the best we can do) will be \$1,000,000 of interest for the Government, \$3,000,000 of interest for you, and \$1,000,000 interest for Harry Hinton.

What I especially beg of you now is not to go back on me and say you have completely seen through this scheme before, or that somebody else had informed you before I did. I would not object to taking in President Harrison as a partner, as he is a poor man, and the queen of Great Britain gets several millions salary and the czar of Russia gets more than the queen and Harrison don't get but \$50,000. But as for Sherman and Blaine, I totally object, for they are too shrewd for me.

What causes me to think that President Harrison is a safe man is, from what he said in his message, that he thought it would be extremely dangerous to lend this money to the banks. This will frighten Congress and keep it from ordering you to lend it at the highest per cent attainable, but you may keep on depositing it at 1 per cent as now. Should there turn up in Congress a sufficient number of fools who still tackle on to the idea that their bounden duty is to so legislate as to enhance the interest of the common, ordinary men of the country, and this number should so stultify themselves as to believe they could offset the interest on two or three hundred millions of bonds by lending the surplus and reserve fund in the Treasury and wait without loss till said bonds became due—I say if the number should be sufficient as to endanger the passing of such a law, you must immediately muster your friends, and call in the aid of King Caucus. King Caucus

is a mighty man. He will do or undo, and none can hinder.

Harry Hinton was certainly born under a happy conjunction of the stars and moon. As soon as you receive this cast your horoscope for the 10th of August, 1836, 10:30 p.m. I long so much to see those beneficent beings who have stock in silver mines, gold mines, patents, and corporations to bestow upon those who are born under lucky stars, that I believe I will visit Washington soon, and then we will talk all these subjects over.

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DUBLIN, TEX., September 3, 1889.

BRO. MORGAN: After critical examination of your new book, "History of the Wheel and Alliance and the Impending Revolution," I find it to be a work of vital importance to every reformer, and one that should be read by every American citizen. The subjects on which it treats are the questions which affect the industries of the nation and cause the depressed condition of labor. It is a wonderful compilation of facts, sustained by the most eminent authorities. It is one of the best educators within the reach of the people, and it has my hearty approval.

Yours fraternally,
EVAN JONES,
Pres. Farmers and Laborers Union of America.

OZONE, ARK., September 6, 1889.

BRO. MORGAN: I have received your "History of the Wheel and Alliance and the Impending Revolution." I predicted a work of unusual interest, and after having read your book I find my predictions fulfilled to the letter. It is a work that I heartily recommend to the toiling millions. It has more clubs with which to fight monopoly, between its two covers, than any book I have ever seen. I hope it will have an extensive circulation.

Yours for the right, ISAAC McCRAKEN,
Pres. National Wheel and Vice-Pres. F. L. U. A.

WASHINGTON, D. C., Sept. 27, 1889.

W. S. Morgan.
DEAR SIR AND BROTHER: I write to congratulate you upon your valuable "History of the Agricultural Wheel and Farmers' Alliance and the Impending Revolution."

I regard your history as a great benefit to the order, and calculated to be of much assistance in the important work of the future.

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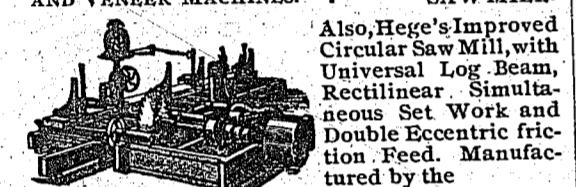
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VOL. II.

WASHINGTON, D. C., FEBRUARY 15, 1890.

No. 22.

IS THERE A SURPLUS OF WHEAT?
The wheat crop of 1889, as estimated by the Department of Agriculture, amounted to 490,000,000 bushels in round numbers. Reckoned at 40 pounds of flour to the bushel this gives 19,600,000,000 pounds.

Pounds.

66,000,000 bushels exported equals....	2,640,000,000
11,000,000 bbls. flour exported equals....	2,156,000,000
Bread and biscuit exported equals....	14,000,000

4,810,000,000

This amount deducted from the total production leaves 13,790,000,000 pounds for home consumption. The population of the United States is estimated at 65,000,000. If each person had consumed one pound of flour each day during the 365 days of the year it would have required 23,725,000,000 pounds, or 593,125,000 bushels, of wheat.

It is said that 1/4 pounds of flour per day is considered a ration for one soldier. If the amount of flour left for home consumption be divided by the population it gives but 9 ounces each, or less than one-half the ration of a soldier. These figures show that there was not enough wheat produced in the United States within 103,000,000 bushels to feed the people as well as the Government now feeds its soldiers. The explanation will be advanced that corn, rye and other grains have been substituted. That is no doubt true, but was the substitution made from choice? No; from necessity. It was done for the same reason that corn is being burned in Kansas—because it is cheaper than coal; not because it is better. If one pound of flour per day is a fair average, our people consumed 13,790,000,000 pounds of some kind of substitute. Or, they lived on wheat bread about 215 days and some other kind about 150. Consequently, where any three persons lived on wheat bread during the whole year, two persons were compelled to live entirely on corn or some other substitute. Corn, rye and buckwheat are relished by nearly every one as a change, but taken right along for 365 days in the year they become a little monotonous. But very few of the people would confine themselves to that sort of diet from choice. The figures show they are doing it however, but it takes a different calculation to show the reasons why.

Wheat is cheap, but corn is much cheaper; wheat will bring a little money when sold, but corn hardly pays for the handling. Money must be had to pay the interest, the rent or the taxes. No matter what consequences may follow, these demands must be met. It is the "power of money to oppress" that compels the people to eat the cheaper

and sell the more desirable portion of their products. The demands which wait upon hard times and low prices must first be supplied, after which the producers are permitted to consume what remains. It is in a lack of ability to purchase that the root of this difficulty lies. This want of ability to purchase comes from a shrinking or inadequate volume of currency. This condition should be remedied at once and in the most direct manner. When this is done and prosperity again makes its appearance, an over-production of wheat will be heard of no more.

SILVER COINAGE.

There appears to be a disposition on the part of some to make the free coinage of silver the all absorbing topic of legislation. The importance sought to be attached to this measure is all out of proportion to the benefit that could possibly be realized. The advocates of free coinage assume to make it the one great reform proposition to the exclusion of all others. While claiming to be reformers, their reform measures begin with free coinage and end with it. It is their alpha and omega of the reform movement. They insist that free coinage of silver would bring prosperity, not only to this country but to the world. No one will deny that this measure, if adopted, would be an adjunct in attaining this much desired condition, yet no one acquainted with the facts would admit it to be the principal agent. The demonetization of silver was a crime against labor, and its remonetization will be a victory in the interest of common humanity. But when free coinage has been granted there are other and greater victories for right and justice that must immediately follow, or the benefits arising from it will soon be lost. A resort to the facts at this time will establish the truth of this proposition. The director of the mint in his report for 1889 estimates the silver product of the United States at \$59,195,000. The amount of silver used in the industrial arts is given at \$8,000,000. This leaves but \$51,195,000 for coinage or export. The silver coinage for 1889 of standard dollars and subsidiary coins was \$34,155,546. This shows the balance on hand of the domestic product of silver uncoined to be only \$16,679,454. From these figures it will be seen that all this agitation comes from the single proposition as to whether the United States or England will coin \$16,679,454 of the surplus silver.

Aside from the principle of righting a wrong and furnishing a home market for a native production, the question of where the coin-

age shall be done, and who shall receive the benefit of the additional circulation, is all there is of the matter. When it is claimed that a market for \$16,679,454 of silver, and an addition of that many dollars to our circulating medium, will wipe out the present distress and depression in our country, it becomes too absurd for a moment's consideration.

The free coinage of silver is right and proper, and should never have been denied the people, but its restoration is not a universal panacea. The addition of about one and one-third millions of dollars per month to our circulation will hardly be felt. It would not keep pace with the increase in our population.

The advocates of this measure insist that the demonetization of silver is the cause of all our financial troubles. This is denied, and the facts substantiate the denial. The cause of our present difficulties antedates this measure many years; they began when silver money went into hiding, and with its characteristic cowardice, remained there for fourteen long years, during which time it dared not come out and defend its maker. It was in the manipulation of our national debt and paper money, and not in the demonetization of silver, that the evils from which we suffer came.

These advocates claim that the fall in prices during the last seventeen years is the result of demonetizing silver. This is also denied. Prices began to fall in 1866, seven years before this measure was passed, and ten years before silver came out of its retreat. Between 1866 and the time silver was demonetized (1873) the people had lost three-fifths of their circulating medium, and up to the time silver came into use fully three-fourths had been taken.

It was because of these low prices, brought about by lessening the volume of currency, that silver came into circulation at all. And, instead of being the harbinger of better times and higher commercial values to the extent claimed, it is the sure index of hard times and lower prices. If all the annual silver product of the world, estimated at \$132,175,000 for coinage purposes, was added to the circulation of the United States, it would not bring to labor in production its just reward. THE NATIONAL ECONOMIST has, and will continue to advocate the free coinage of silver, because the principle is right, and through it the people would receive a certain per cent of benefit, but it would be recreant to its sense of duty if it permitted, without raising a voice of warning, this partial means of relief to blind the people to those greater and more important measures that demand their immediate and earnest attention.

PRICE.

Increase the amount of currency in circulation among the people, and the price of labor and its products will advance and better times will prevail. Decrease the amount of currency in circulation among the people, and the price of labor and its products will cheapen, and hard times will come in consequence. In other words, the more money, the higher the price and better the times; the less money, the lower the price and harder the times.

These two propositions have held good in all ages, under all governments, and are true to-day. Upon the application of these propositions depend the weal or woe of the people of every nation on earth. While the question of price is the most important part of political economy, it is the least understood and most neglected. The old dogma that supply and demand make the price or commercial value still obtains, and is taught to the exclusion of other and more truthful explanations of the elements that enter into that term. Supply and demand do not make the level price of labor and its products, in any better sense than the mark left by the storm driven wave upon the rocks indicate the level of the ocean. It is the ability to purchase that makes the level price, and nothing else. There may come a sudden demand that for a time will advance the price, or a failure in the supply that will have the same tendency; or, there may be an unexpected falling off in a heretofore regular channel of trade; also a large supply for certain seasons that will conspire to lessen the price, but neither of these conditions can be of long duration, as the different factors soon adjust themselves and the price returns to its usual level. It is the ability of the people to purchase that determines this level price, and as this ability is increased or diminished, price rises or falls. All political economists concede the fact that price is established by the volume of currency in circulation, yet the doctrine of supply and demand is made use of in all the financial arguments of the present time. It might be well in this connection to inquire which it is, supply or demand, that burns corn in Kansas, and starves the children of miners in Illinois? Which is it, the supply of warm clothing in yonder store, or the blood that is freezing in the veins of that ragged tramp, that fixes the price on those garments? Is it the famished, aching stomach of the starving lad, or the bread in the window he is so eagerly gazing at, that establishes the price of the loaf? It is neither in each case, as in all others. It is the ability to purchase, and this depends entirely upon the amount of currency in circulation. The demand in these cases was urgent and the supply abundant, yet there was no price established, because there was no ability to purchase. An article that is not exchanged or sold can have no price or commercial value. It is a knowledge of the effect of the volume of currency in circulation upon price that has led to all the op-

pressive financial legislation in this and all other nations. It is to curtail the amount of this currency, and thereby lessen the price of the products of labor, and in so doing increase the "power of money to oppress" that American plutocracy is striving, in order to enslave the producers of all wealth. A few quotations from eminent authors and statesmen, will tend to show the correctness of these propositions.

Leon Fauchet (1843), in *Researches upon Gold and Silver*, says:

If all the nations of Europe adopted the system of Great Britain the price of gold would be raised beyond measure, and we should see produced in Europe a result lamentable enough.

Before a French monetary convention in 1869, testimony was given by the late M. Wolowski and by Baron Rothschild. M. Wolowski said:

The sum total of the precious metals is reckoned at fifty milliards, one-half gold and one-half silver. If, by a stroke of the pen, they suppress one of these metals in the monetary service, they double the demand for the other metal, to the ruin of all debtors.

Baron Rothschild said:

The simultaneous employment of the two precious metals is satisfactory and gives rise to no complaint. Whether gold or silver dominates for the time being, it is always true that the two metals concur together in forming the monetary circulation of the world, and it is the general mass of the two metals combined which serves as the measure of the value of things. The suppression of silver would amount to a veritable destruction of values without any compensation.

At the session (October 30, 1873) of the Belgian monetary commission, Professor Laveleye said:

Debtors, and among them the state, have the right to pay in gold or silver, and this right cannot be taken away without disturbing the relation of debtors and creditors, to the prejudice of the debtors, to the extent of perhaps one-half, certainly of one-third. To increase all debts at a blow is a measure so violent, so revolutionary, that I cannot believe that the government will propose it, or that the Chambers will vote it.

William H. Crawford, Secretary of the Treasury, in a report (February 12, 1820) to Congress, says:

All intelligent writers on currency agree that when it is decreasing in amount, poverty and misery must prevail.

Prof. Francis Wayland, in his work, "Elements of Political Economy," which is taught in our schools and colleges, says:

The opening of new and richer mines, or the use of improved means for extracting the metals, may cheapen money. The value of money, like that of any other commodity, is also affected in short periods by fluctuations of supply and demand. * * * If there is more money in a country than is needed for its exchanges, the price of goods is raised and it is sent abroad for new purchases. If there is a scarcity of money in a country, the price of goods declines, and money comes in from other lands to be exchanged for them.

Francis Bowen in his work, "American Political Economy," says:

In the other case, if the currency of any nation should fall below the average proportion to its wants, the price of all merchandise there would fall, they being exchanged against a similar amount of money. The equalization of money is but another name for the equalization of prices.

J. S. Mill says:

If the whole money in circulation was doubled, prices would be doubled; if it was only increased one-fourth, prices would rise one-fourth.

Thomas Tooke says:

Hence new uses will be found for it when it is abundant, new avenues of commerce will be

opened, new branches of industries will be essayed, until increased production finds employment for the increase of money. If money has increased, industry and trade are increased; and thus the tendency to depreciation is met and strongly counteracted.

Judge John Barnard Byles, one of England's greatest jurists, in his work, "Popular Political Economy," says:

Men talk glibly of variations in the currency. Few reflect on the awful extent to which such changes affect the prosperity of all ranks. The laborer, the pauper, and the beggar are as much interested in the currency question as the manufacturer, the shopkeeper, or the great proprietor of land or funds, and even more. Sudden and great alterations in the amount of value of the circulating medium are at best transfers of property—gigantic robberies; they are often much worse; they involve wanton destruction of immense property and stoppage of industry.

Alexander Hamilton, in his report on the Mint, in 1792, said:

To annul the use of either of the two metals as money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full with the evils of a scant circulation.

A contraction of the money volume changes the relations between money and other things and necessarily affects prices. John Locke long ago laid down the true law relating to the value of money, as follows:

Money, while the same quantity of it is passing up and down the kingdom in trade, is really a standing measure of the falling and rising value of other things in reference to one another, and the alteration in price is truly in them only. But if you increase or lessen the quantity of money current in traffic in any place, then the alteration of value is in the money.

In the face of all this testimony, and much more that might be given, the low price of wheat, cotton, beef, iron, etc., is charged up to over-production, or an excess of supply. The naked facts do not substantiate this theory. In 1880, 498,549,868 bushels of wheat sold for \$474,201,850; in 1882, 504,185,471 bushels sold for \$445,602,125; in 1884, 512,765,000 bushels sold for \$330,862,260, and in 1889, 490,560,000 sold for \$342,491,807. If these figures prove anything, it is that something besides supply or demand established the price.

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A FINANCIAL HISTORY.

Course and Effect of Legislation Since 1861.

No. 2.

The issuing of the \$50,000,000 of demand notes created a decided sensation among the bankers of the country. Already they had begun to see the enormous profit that shrewd management might bring to them. They were not slow in discovering that by reason of this issue of non-interest bearing treasury notes the Government had invaded their special privilege, that of furnishing a currency to the people, and consequently had borrowed that much money from the people without interest instead of borrowing the same of the banks and paying them interest.

After taking the third amount of \$50,000,000 by the associated banks, those in New York that had at that time paid in their proportion (over \$80,000,000) of the Government loan, found themselves in this position:

Their aggregate coin on the 17th of August, before the first instalment was made, amounted to.....	\$49,735,990
On December 7.....	42,318,610

A reduction of only..... 7,415,370

This was after paying out over \$80,000,000, showing how quickly the money returned to the banks through the different channels of business. The Secretary continued to pay out the treasury notes, issuing over \$34,000,000 during the first six months after the passage of the act. The following is rather interesting reading at this late date in view of the professed sacredness of all national promises:

On the 3d day of September, 1861, by the command of Lieutenant-General Scott, E. O. Townsend, assistant adjutant general of the United States army, notified the soldiers in the field that they would no longer be paid in coin as heretofore; "that they would receive treasury notes in \$5, \$10, and \$20 as good as gold" (greenbacks), and he added: "Good husbands, fathers, sons, brothers, serving under the stars and stripes, will thus have a ready and safe method of relieving an immense amount of suffering which could not be relieved by coin."

Secretary Chase continued to pay out demand notes, and the banks being called upon to receive them on deposit, were placed in a peculiar situation; they dare not decline for fear of the Government, and their patriotism was not of that character which would permit them to receive on deposit a currency that had not first been purchased of them. As a result, on the 28th day of December the banks suspended specie payments. At the time the banks suspended they held in their vaults over \$60,000,000 of specie, and had notes outstanding to the amount of only \$16,000,000. This shows clearly that the suspension was a fraud, and unfair to the people. The banks suspended for the purpose of making money by depreciating the credit of the Government, and not because they were compelled to. England suspended specie payment in 1797, but it was after years of war and when its national resources had become nearly exhausted. The banks compelled this Government to suspend before a decisive battle had been fought, and while negotiations looking toward a peaceful settlement were being conducted. It was an example of cold-blooded treachery, and nothing else. There was no need of their suspension. In this they had a precedent in the operations of the Bank of England in latter years.

Mr. Gilbert, in his Treatise on Money, says:

During seasons of pressure parties who profess to be friends of the Bank of England do all that they can to destroy public confidence. Reports

are said to be in circulation, banks are said to have failed, mercantile houses are said to be embarrassed. All this is done with a view to serve the Bank of England. The bank directors may not themselves set in motion these reports; but though they may despise the traitor, they profit by the treason.

Mr. J. S. Loyd, one of the greatest of the English authorities on money, says:

Against the actual exhaustion of her treasury by a drain through the foreign exchanges, the Bank of England, under almost any circumstances, has the power to protect herself; but to do this she must produce upon the money market a pressure ruinous from its suddenness and severity, she must save herself by the destruction of all around her.

Sir John Lubbock, an eminent London banker, and author of a treatise on money, says:

The difficulty of maintaining their convertibility [the Bank of England notes] is enhanced in this country by the choice of a different standard [gold] from that of other nations. If our metallic standard was silver, the demands of this country, and those of all other countries, would mutually regulate each other; and in case any country suddenly required, from temporary motives, any great quantity, the demand would be spread over the whole civilized world.

The associated banks at the time of suspension, held over \$15,000,000 more coin as reserve, than in January, 1860. Of course, when the banks suspended specie payments, the Government was forced to do the same; and from January 1, 1862 to January 1, 1879, treasury notes were not redeemed in coin. Just previous to suspension, and while it was being considered, the banks prepared to take the amount of their coin reserve, and add to it about \$150,000,000 of the Government bonds then authorized to be issued, and make the aggregate the basis for currency.

Secretary Chase continued to pay out demand notes, and the banks being called upon to receive them on deposit, were placed in a peculiar situation; they dare not decline for fear of the Government, and their patriotism was not of that character which would permit them to receive on deposit a currency that had not first been purchased of them. As a result, on the 28th day of December the banks suspended specie payments. At the time the banks suspended they held in their vaults over \$60,000,000 of specie, and had notes outstanding to the amount of only \$16,000,000. This shows clearly that the suspension was a fraud, and unfair to the people. The banks suspended for the purpose of making money by depreciating the credit of the Government, and not because they were compelled to. England suspended specie payment in 1797, but it was after years of war and when its national resources had become nearly exhausted. The banks compelled this Government to suspend before a decisive battle had been fought, and while negotiations looking toward a peaceful settlement were being conducted. It was an example of cold-blooded treachery, and nothing else. There was no need of their suspension. In this they had a precedent in the operations of the Bank of England in latter years.

JOHN STUART MILL says: "By unproductive labor, on the contrary, will be understood labor which does not terminate in the creation of material wealth; which, however largely or successfully practiced, does not render the community and the world at large richer in material products, but poorer by all that is consumed by the laborers while so employed."

THE NATIONAL ECONOMIST.

THE REFORM PRESS.

The Discussion of Current Topics In the Organized States.

The sub-treasury plan is receiving many favorable comments from our ablest exchanges. A few out of the many are given below. The Rural Messenger (Petersburg, Va.), after an intelligent analysis of the plan, says:

This is the whole of it; plain, simple and, so it seems to us, entirely practical. The national Government is at the back of it. It is the banker, so to speak, advancing the farmer money at a very low rate of interest and taking his produce, the best of security, as collateral for the payment of the money so advanced. The guaranty of the Government is upon it. It is not a bank that is likely to fail, and the farmer's security, being articles of daily necessity, is the best in the world. Do our farmers want anything better than this? We know not. And it has this to recommend it, that it is a plan that has already been tried. There is a precedent for it. And one of the chief arguments sustaining it is that it makes the agricultural products of the country out of the hands of speculators and monopolists and emancipates productive labor from the power of money to oppress. Grand achievement! Consummation devoutly to be wished and worked for. Could any object be more worthy of the attention and hearty support and endorsement of the farmers of the United States? Could any scheme be devised that would be simpler, safer, more helpful to the farming interests?

The Three Rivers (Mich.) Reporter says:

Inquiry is frequently made, how it comes about that millionaires of England and Germany are coming here to gather up the large industries of this country. The answer is easy and plain. They have no other use for the wealth they have acquired through the gold basis system.

Boston (Mass.) Pilot says:

SHAMOKIN, Pa., January 18.—The Locust Spring, Reliance, Tunnell, Burnside and the Philadelphia and Reading Coal and Iron Company, shut down to-day for an indefinite period. Over 2,000 men and boys will be thrown out of employment.

NONSENSE! The capitalists tell us that "no industrious man need want employment in this country." These 2,000 must be idlers—Heaven help them and their poor families all the same!

The Rural Home (Topeka, N. C.) gives these figures:

The national banks with a capital of \$612,000,000 cleared last year \$282,000,000, only a little over 46 per cent. And the farmers paid it all.

The Peninsula Farmer (Fredericksburg, Mo.) says as true as life:

We have the life of the nation to consider. Desperate men and desolation loom up in the near future, unless they are stayed by the strong arm of the people in self-defence. The Alliance has to mold sentiment such as has never before been known in a nation. It is the people's work; it is a work that has to be taught to the mighty that the world and the fulness therein belongs to the people and not to the few. We have legislation to reform, and the sooner the better.

The People's Signal (Martin, Tex.) makes this statement:

For a number of years past railroad, mining and other corporations have been importing into this country ship-load after ship-load of foreign pauper laborers to compete with the honest American laborer, by deceiving them as to the absolute value of labor in this country compared with other commodities, and now when they find that they can not sustain themselves in the mining districts of Pennsylvania and demand a fair remuneration for their labor, bands of Pinkerton detectives, armed with winchesters, have been ordered to evict them from their miserable little shanties. Is this a free country when private corporations can maintain and control a standing army to do their bidding? How long will it be before our English lords will turn their mercenary Hessians loose upon our tenant farmers? Stop and think.

Labor Review (Gladbrook, Iowa) says:

The capitalistic class have with their contraction of the currency, the limiting of silver coinage, the protective tariff and their various other schemes of plunder, got the farmers in their vice, and intend to give them a good squeeze before they let up. The farmers may now squirm, squeal and kick, but it will avail them nothing, the squeezing process will still go on. In addition to this

squeezing process, the railroads will continue to charge all the traffic will bear, and will continue to pay dividends on watered stock. It is a matter of indifference to them whether farming pays or not, for they will have all the traffic will bear while railroad laws will be taken advantage of. The corporations will change the legislature, instead of the legislature changing the tariffs.

Atlanta (Ga.) Journal says:

The farmers are deriving great benefit from the Alliance. It has saved them, in Georgia alone, \$200,000 in a single year on the purchase of fertilizer. It has lowered the cost of almost every article they use, food, clothing, farm implements, wagons, buggies, and even the few luxuries that Georgia farmers have been able to enjoy.

Farmers Voice (Chicago, Ill.) hits it hard:

Friends! Just glance at the situation a bit, and mark the relative positions of the two combatants. On the one side you have the haughty newspaper organ of the banded plutocrats, buttressed by the loan sharks, the railways, and aristocratic society, and having a strong and most sinister influence with the powers that be, including lawyers, judges, sheriffs and shrewdly-selected juries. On the other side stands a lone farmer indignant at malicious wrong, but feeling all his weakness when it comes to compelling redress.

Climax (Mo.) Advocate. This is in many cases too true:

One of the greatest evils to contend with in organizing labor is the necessity for taking in those whom you know to be traitors at heart who join the organization, not because they have any love, for the principles it advocates, or any desire to elevate their fellow men above the standard of a slave, but simply because of their own selfishness. If they can secure better wages and shorter hours through the organization without any effort on their part, well and good. They are willing to accept the advantages just so long as they cost nothing, and they are not compelled to make any sacrifice to obtain them.

Martha's Bulletin (Marthasville, La.) says:

The greatest value of money is in its power to give the possessor ease and comfort. We do not need these in youth because the buoyance and strength of nature removes us above such considerations.

The New Farmer (Winona, Miss.) is correct:

The legalized business monopolies that confront us are detrimental to the best interests of the agricultural masses—making the rich richer and the poor poorer. These legalized gigantic trusts enjoy rights, privileges and powers belonging to, but taken from you—the people.

The Kansas Farmer (Topeka, Kas.) says:

There are four ways of distributing money to the people by the Government: First, in payment of services rendered; second, in payment for property taken or purchased; third, in payment of debts; fourth, by lending. Our Government has practiced all these modes, lending, however, only through banks which charge a commission in the way of interest. When greenbacks were issued they were paid out directly to the people—right into their own hands by Government agents, and without charge; but when national bank notes were issued they went directly to the banks and were issued to the people from the bank counters with interest charges.

The Farmers Voice (Chicago, Ill.) don't seem to like the present methods.

It is notorious that in this country at the present time, all Congressional seats must be bought. Either rich individuals buy them for their own use, or a lot of wealthy and corrupt corporations pool issues and buy the position for a creature who has pledged himself to serve their interests—and assassinate those of the plain people, whenever they instruct him so to do.

The Lansing (Mich.) Sentinel says about usury:

Every system that enables one man or set of men, to live in idleness upon the toil of others, is vicious and must go! No drones in the American hive! Our financial system is the greatest invention of man for compelling working men and women to feed a clan of lazy aristocrats through usury.

The Eye Opener (Tuscaloosa, Mo.) quotes the following:

All property is at the mercy of the money power—

Lands in farms in the United States.....607,906,576
Owned by railroads.....172,816,000
Owned by aliens.....61,900,000
Owned by speculators.....208,000,000
Total of all available lands, including villages, towns and cities.....335,666,000

What food for thought! A few more years of reckless legislation, and Uncle Sam will not be able to give any of us a farm.

Dexter (Kan.) Free Press says:

If the men who now compose the rank and file of this great farmers movement had commenced to study the system of this Government ten years ago, with the intelligence they are to-day, and using their minds with a free will, like they are to-day, they would not be in the same cramped and depressed condition, that they are to-day. The camel's back has been broken and it will take the united strength of the order to bring around that which is being looked for. But courage and harmony will work wonders when properly put to use.

The Bevier (Mo.) Appeal says:

There is a feeling prevailing all over the world that the importation of labor is extremely hurtful to native workmen. The United States has shut out the Chinaman. France is uneasy because of the half million Italian laborers who have been imported there in the last few years, and now a conference has been held in London by representative workingmen to consider the question of the continual increase of foreign workmen in London and its bearing on its industries.

Iowa (Des Moines) Tribune:

The farmers of the United States are now getting the husk argument. That converted the prodigal son. We shall see what effect it will have on the usage slaves.

Nuckolls County Herald (Nelson, Neb.) says:

While the reform party advocate Government control of railways, telegraph and express franchises, it may be well to remark that English post offices do all the express business of that country, and the British government has reserved the right to buy every railroad they have chartered at an assessed value.

The Union City (Tex.) Times says truly:

There is no war between the farmers and other legitimate occupations any more than there is war between the parent and offspring. The trades are the offspring of the needs of the producer. It is the result of the producers' labor that have been combined against that has made it necessary for the producer to look well to his living and the hopes of his offspring. The fight is not against the retail dealer in goods but against the combinations to buy the farmer's meat at 1 to 3½ cents per pound and sell at 8 to 15, his wheat, cotton and other products at less than the cost of production and sell to the consumer at immense profits. The only hope is to fight the combinations. Fight them with determination, fight them hard, fight them to the bitter end; the homestead and the spirit of independence there inculcated, the united action of the small farm owners is the hope, the necessity, and salvation of the home. And let them move in concert and all is well. But they dare not fail, they dare not retrace to the preservation of their inheritance (the greatest ever man had) which has descended to them. The farm homestead—it is the life of the people, the nursing mother of the patriot and statesman, the foundation rock of a free people, and must be preserved, and it can only be done by the determined and united effort of its holders. Will they do it?

The Butler (Mo.) Local News gives this advice:

Don't be a political dupe—don't be a clam. If you are a farmer, no matter what have been your political affiliations, your duty lies in co-operation with your brother farmers in a movement to demand justice done you. With Congressmen to misrepresent you in the legislative halls of Congress, your condition daily becomes more and more nearly to bed-rock. That is where the money kings said you must come, and these men—well, what have they done to relieve you? What do you expect them to do for you? The sooner you adjust yourself to the situation and determine to work hand in hand with your neighbors, whose interests are identical with yours, and help them to fight your battles, the sooner you will command their respect.

The Rock Islander (Ill.) says:

That money is the creature of law is now admitted by all. The 5-cent nickel coins are composed of seventy-five parts copper and twenty-five parts nickel. A pound of this metal costs 70 cents. It coins 100 5-cent pieces, which makes \$5. Take 70 cents from \$5 and \$4.30 remains, all made by law. The Butler (Mo.) Local News has this to say:

Even if there were no competitive system, but national co-operation, the concentrating and bridging of the means of production and exchange would take place, for by it both production and exchange would be facilitated, but then the whole people would receive the benefit. That they do not now receive it is because of the inherent un-wisdom and injustice of the competitive system, and that system must be abolished.

Our Opinion (McPherson, Kan.):

There is a general demand over the West, regardless of politics, for an expansion of the currency. This comes not from the few agitators who would flood the country with something called money, and disarrange the entire financial system of the country, but from the careful, thinking farmer and business man who realizes and appreciates the true condition of affairs. Scarcer money is, the greater its value, that is, the more it will buy. An increase in the volume of currency will make money cheaper and easier to get.

Jacksboro (Tex.) Sentinel puts it:

The farmers of this country are destined to play a more important part in its politics and in the enactment of its laws than ever in the past. The reason is not because farmers are anxious to become politicians, or that they desire public life

taining all for which we have ever contended and as no one connected with the Commoner is now or ever will be a candidate for office or a seeker after party honors, the Commoner is willing to adopt the Farmer's platform, and enlist as a private in the ranks of those who are striving to bring about an improved condition of affairs.

The Farm, Stock and Home (Minneapolis, Minn.) says:

Senator Culom recently introduced a bill providing for making Government loans to farmers, on good real estate security, of course, at a very low rate of interest—2 to 3 per cent. The Senator explained that his connection with the proposition was by request—the State Grange of Illinois was the guilty party—while the other Senators smiled with ill-concealed contempt as the bill was "referred" in the usual way, and that will be the last of it. The Government might be in infinitely worse business than loaning money to farmers at 3 per cent. It would surely be better than loaning it to national banks without any interest. It would be infinitely better than spending hundreds of millions to create more competition for farmers; in short, it is safe to say that the national Congress does many things more foolish and unwise than would be Government loans to farmers.

Lansing (Mich.) Sentinel—pretty good advice.

It matters not what party man belongs to, if he is an honest man—a true man—he must favor honest elections, hence any movement that will bring about that result will be favored. The trouble now-a-days is that men look upon elections merely as an opportunity to test party strength, and in their zeal for the success of party they take part in many actions that they would be ashamed of under any other circumstances. This is a manufacturing country, and by some insidious methods the people of that region have voted themselves a bonus on their labor, and in doing so have left our agricultural products out in the cold, to be sold in competition with products of pauper labor the world over. Why is it that the farmers of this great section have not amassed a sufficient amount of money to buy these bonds themselves? We do not propose to give answers to these questions, but leave it to the candid judgment of the farmer himself. Let him work out the problem in his own honest way.

Clark County (S. Dak.) Democrat says:

There is a greater concentration of wealth in the United States—according to the most reliable statistics obtainable—than in any other nation of the earth. It is not more wealth we need so much as a better distribution of what we have.

Alliance Motor (Broken Bow, Neb.):

A man can be longer starving to death on a farm than in any other business, but then we are not on the farm to feed the world and starve ourselves. We are there to succeed as men in other branches of business succeed, by making a profit on what we produce. That is all we ask, and that we demand. We have had enough of the starving business; have done enough toward making millionaires, and now intend to have a share of the profits. This is an age of trusts and combines, and we have trusted to combines long enough.

Rural World (St. Louis, Mo.) gives this example:

If a thousand or two of the young men who gamble in grain and other farm products, together with their aged leaders and teachers in this country, could be transported to some one of the uninhabited islands of the ocean for five years and compelled to make a living, amass wealth and build large fortunes by dealing in puts and calls, in futures, options, etc., solely among themselves, it would be a deliverance to the world of productive labor, and its salvation; always, however, providing that their places, in the meantime, will be occupied in the same capacity by no one else.

The Rock Islander (Ill.) says:

That money is the creature of law is now admitted by all. The 5-cent nickel coins are composed of seventy-five parts copper and twenty-five parts nickel. A pound of this metal costs 70 cents. It coins 100 5-cent pieces, which makes \$5. Take 70 cents from \$5 and \$4.30 remains, all made by law.

Legal Tender Greenback (Burlington, Ia.) gives this advice:

The mortgage indebtedness of the Western country is frightful. It hustles our most industrious men to pay taxes and interest. Then in the name of God how can they ever expect to pay the principal of their mortgages? They can't do it, unless the Government comes to the rescue and loans the people the money. A large portion of our Western farms will change hands in the near future, and our farmers will become tenants on the very farms they cleared out of the wilderness in the years gone by. Such a fearful condition of affairs is enough to cause men to pause and think. Those who are not hide-bound party slaves are thinking about it.

The Alliance Tribune (Topeka, Kas.) gives us the following:

Jefferson once said, "the poor is our dependence for liberty," and it is being exemplified every day by the present efforts being made by the capitalists of the country to control every leading industry of the country—the transportation facilities, the money volume in circulation, nearly all the avenues of intelligence by telegraph, and even the elections. The moneyed men of the country dictate the nominations of men from President down. And their millions of dollars are expended

for the election of men to the presidency, to the Senate and lower House of Congress who will work for the corporate interests. How long can a country, even though it be the richest in the world, continue under this order of things?

Faulkner County Wheel (Conway, Ark.) gives this good news:

The Farmers Alliance and Industrial Union is growing now as never before in power and influence, and in the confidence and esteem of thinking people. Its demands are read and endorsed by men who have been its most obdurate foes, and it is receiving additions to its ranks of men who but a short time ago considered its existence a menace to the peace and stability of the Government.

State Alliance Tocsin (Locksburg, Ark.) says:

The result of borrowing money from foreign loan agencies is now being made manifest by the advertisements now appearing in some of the State papers under the title "Sale of Valuable Farm," which means that the British American Mortgage Company is getting a grip on the farm lands in this State.

The Progressive Age (Georgiana, Ala.):

It oftentimes requires a cooler head and steadier nerve to remain impartially just in our business dealings with men, when assailed with falsehoods, infernal and positive, than to do many heroic acts for which men are sometimes lauded to the skies.

Louisville Courier-Journal says:

The Kansas farmer sits by the light of his burning corn when he wants to read his mortgage. For reading in the long winter evenings there is nothing like a well-written farm mortgage.

The Tribune (Junction City, Kan.) says:

The Farmers Alliance of Kansas are circulating a petition asking Governor Humphrey to call a special session of the Legislature, that it may enact a stay law to suspend the collection of debts for two or three years. As a means of agitation and education this is a good move. It will show the creditor class how much better the plan proposed by the Knights of Labor is by which the creditors get their money immediately and the debtors are not distressed. Push on the petitions, both State and national, as a means of agitation and education. The people must have help, and that soon, from some source!

Lafayette County Statesmen (Oswego, Kan.):

The wealthy creditor classes have been manipulating the money standard, and always for their own benefit. Why should not the large debtor class now take a turn at this business and try to get their own back again? The rich are precluded by their own conduct from crying out against it.

AN EXAMPLE.

Farmer A, out in Michigan, in 1866, borrows \$1,000 of Banker B, and agrees to pay 10 per cent interest for the use of it. This amounts to \$100 annually. In order to obtain this \$100 at that time Farmer A had to sell either 50 bushels of wheat, 165 bushels of oats, 125 bushels of corn, 230 pounds of butter, 650 pounds of pork, or 170 pounds of wool.

We Must Fight the Good Fight.
BY HARRY HINTON.

There is a fight going on in this land every day and every hour; not a battle which comes to an end because there may be victory on one part of the line or defeat on another. It is a regular war, which goes on and on, year after year, and never really comes to an end. The weapons of this warfare are multiplied and various. It is a warfare of principle only—the true principle against the false principle. The true principle tends to strengthen government and to perpetuate empire and to increase the happiness, prosperity and liberty of the people. The false principle weakens and corrupts government, disintegrates and ruins empires, and brings the people down to poverty, distress, and slavery. The soldiers on the side of right are friends to good government, friends of progress and improvement, and enemies to bad government. The soldiers on the side of the wrong are pulling down good government, checking the wheels of progress, and pouring the venom of corruption and decay into the vitals of the body politic.

Make no mistake. Depend not on an iron-clad navy, though it should quadruple the navy of the whole world. Boast not in numbers, though you may be able to outnumber the army of Xerxes. Boast not of your wealth and unbounded resources, though your wealth may be more gorgeous than those of the Indies. None of these things insures freedom or the perpetuity of empire.

To your tents, O Israel! The Philistines are upon you. Against mercenary principles, greed, avarice, fraud, deception, and the god of mammon, our prophets and preachers have inveighed with no sparing hand. Their teachings have availed naught to check these crimes in public office. The shrewdest of all the devotees of Mammon hover around the Capitol at Washington.

Where the carcass is, there the vultures shall be gathered together.

King Caucus has taken his seat on a throne of pearls, inlaid in gold. He dictates to his menial servants in the language of a monarch.

Should one dare to disobey his peremptory commands off goes his political head, and the place that knew him once will know him no more forever. Down with the king! Down with the tyrant! Up with American freedom.

All hail, my countrymen! All hail! The fight is on. The hosts are squaring themselves for the conflict. There is no retreat, except in submission and slavery, both to you and your posterity. Peace! There was never really any peace between Mammon and integrity. You can really have no peace save through your own strength. Then why stand ye idle? Will you stand indifferently by and witness the chains riveted upon your own posterity? Will you while away the time in inglorious ease while the Goliaths are stealing your armor away? In a few short years your struggling will be in vain.

You have now a chance to achieve one of the most glorious victories known to time. The victories of Salamis, Marathon and Plataea will pale into insignificance by it. Tyranny hitherto has had a central head. It was a physical force. Now it comes in many questionable shapes. It comes as a patriot and wishes to serve his country; it comes as the plutocrat and wants protection to wages; it comes as the banker and wishes to enhance the credit of the Government; it comes as the railroad king and wishes to develop the country. So you may find tacked on to every villainy some worthy idea.

Be not deceived my countrymen. Well

they know they must deceive you before they can enslave you. So the Delilah will have the Samson to sleep before his shearing, and blind death comes. The Delilah is fondling you on her lap; the Philistines are posted at the door. Sheared of your property, and forced to labor at wages dictated to you by those who own the world, you surely will be the slave of slaves grinding at the mill.

Old John Milton was a good old man. He wrote Paradise Lost. He said that "peace hath its victories no less renowned than war." So peace must have battles before it can have victories. Yes; and there is a battle going on now—tremendous and amazing in magnitude and importance. The world, since the days of Adam, has never witnessed such a conflict as to the wonderful and lasting consequences which may follow defeat or victory. The question at issue is, shall republican government prove a failure or a success? Shall civilization and human improvement advance or retrograde? Shall we have a government for the benefit of the whole people or for a select few? This is the issue; this is what the fight is about. The sword is drawn. There are millions of money on one side with hundreds of the hireling press, and on the other side those who eat their bread in the sweat of their faces, the productive labor against non-productive; one side has the money, and the other side have naught but the ballot. The one has shrewdness and cunning, and the other only common horse sense. The non-producers have wonderfully the advantage in money, in the position they occupy, for they now occupy every department of government, and in their command of the best talent of the country, and in their command of the press. The producers have the advantage in numbers only, and a great many of these know not their rights. There is the weak point in the army of producers.

Oh! the dragon! the dragon! the dragon! The dragon has come to church. The preachers preach where they get the most money. The people join where the edifice is the finest and the most fashionable congregate. The sycophantic populace bow to the wealthiest and delight to do them homage. Honesty, talent, integrity and industry avail naught compared with the tinsel of fashion and wealth.

Oh! the dragon! the dragon! the dragon! The dragon has come to the Capitol at Washington. King Caucus and the dragon dictate the laws of the nation. They divide the public plunder among their worshippers. They are forging iron chains to bind your children and mine as their toiling slaves forever. The worshippers of this dragon are as numerous as the sands of the sea. They bow in humble devotion at his feet. They give him all the fat offices, all the fame of place and power. They kneel and worship while he enriches and enslaves.

Arise, my countrymen, arise. Fight, soldiers of right and justice, fight. Thrice blessed are they who die in this noble cause. Our Christianity, our civilization, our freedom are at stake. The spirits of those who fell at Bunker Hill and Brandywine bid you fight. The blood of the patriot dead everywhere bids you arise and shake off the shackles of tyranny. "Peace, hath its victories no less renowned than war."

hath its victories no less renowned than war. The Chinese worship Josh. Now Josh is a very innocent little idol and won't harm any one. But the Americans worship Mammon, who is very ferocious and cruel. He has a mouth as large as the mouth of the Mississippi river, and often swallows whole churches and sometimes a whole Congress at one gulp. This god has been the enemy of government, of freedom, of Christianity and progress in every age and in every country. In beautiful Greece he betrayed the liberties of the people. Themistocles, who led the Greeks to victory against the millions of Xerxes, finally sold himself and endeavored to betray his people to the Persian king and died in Persia. Pausanias, who won the victory of Platæa, made a contract to marry the king's daughter, and with Themistocles to deliver up the Greek state to him. Therefore, the worst enemy of civilization and liberty is often found in our most talented and popular men. I tell you of this to put you on your guard. This god has caused more war and bloodshed than all the other idols put together. No nation of power and strength but has at last been compelled to yield to his devouring fangs. He first hugs and coils his ponderous length around empire, then inserts his venom into its vitals, and it then putrefies and moulders to decay. This god has enveloped the beautiful republic our fathers set up, and it is a duty you owe yourselves and your children that you cut this danger into pieces.

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The Great Issue—The Great Danger.

BY MERLINDA SISINS.

In 1776 the issue was between monarchy and democracy. In 1860 the issue was between freedom and slavery. To-day the issue is between monopoly and anti-monopoly.

Under the present condition of destitution among the wealth producers, on account of the blighting effects of this wicked monopoly, men advance many causes for the existing trouble and many remedies for the same. By this multiplicity of causes and remedies, thus presented, the suffering masses are confused and thereby are prevented from forming into one unbroken line

of battle. Until they can be brought to see the one great cause and the one great remedy, their efforts will be scattered, and grinding monopoly will be enabled to tighten its bands thereby. First, then, keep the plain, simple issue before them—monopoly and anti-monopoly. It is not necessary to portray here its devastating effects; the people in their poverty feel its venomous bite. As they are confused by so many causes presented, so they are also confused by so many remedies advanced. Let the remedy also be plain and brief. As monopoly is and has been conceived, born and raised by vicious class legislation, obtained by scheming millionaires from Congress and the State legislatures, let the impoverished wealth producers fill the seats of these law-making bodies with true and tried men from their own ranks. That is the remedy. Monopoly the cause, voting your own men in the remedy. How plain. How easy, as the wealth producers have nine votes out of every ten. People write and speak of a thousand relief acts that Congress should pass. What is the use when there is not a wealth producer in Congress to vote for such relief measures? First, then, fill the seats of Congress and the legislatures with your own men, and the rest will be speedily added unto you.

ART. 5. This capital stock shall be a sacred trust fund used only for the purchase of goods. It shall not be used to pay salaries or for any other purpose. All orders from individuals must go through the sub-trustee and from him through the county trustee and the State agent.

ART. 6. Subscriptions to shares of capital stock shall be made in the name of subordinate Alliances and not in the name of individual members thereof. Application for shares of stock must be accompanied by 25 per cent in cash of the amount of stock subscribed; the balance to be paid when called for; when certificate of stock shall be issued as soon as the full amount subscribed for shall be paid for.

ART. 7. It is hereby understood and agreed that each sub-Alliance adopting this exchange system and thereby ratifying this plan, is firmly bound to subscribe for and make settlement on stock, as above specified to the number of shares due from it, under the following schedule of ability, i.e., those having less than thirty-five: (35) members shall be apportioned five shares; thirty-five to sixty-five members, ten shares; sixty-five to ninety-five members, fifteen shares; all over ninety-five members, twenty shares. *Provided*, That this shall not prevent any Alliance from taking as many shares as it chooses.

ART. 8. Each sub-Alliance taking stock in this corporation shall be entitled to one trustee stockholder, who shall be elected annually at the time of the regular election of officers. The first trustee stockholder shall be elected by each sub-Alliance when it decides to subscribe for stock, and shall serve till the next annual election. When three trustee stockholders shall have been elected, they may proceed to organize and elect a county trustee stockholder. He shall represent his Alliance in the meetings of the trustee stockholders from and for all the sub-Alliances in that county, and shall be entitled to as many votes as he represents shares of stock. The county convention of trustee stockholders shall, at a regular annual meeting, to be held after the county meeting in July and before the State meeting, elect from their number one delegate, who shall be known as county trustee stockholder, and who shall be authorized to represent the stock held in that county in State meetings of the trustee stockholders of the corporation, and shall be entitled to as many votes as he represents shares of stock. Each trustee stockholder shall be the representative of the Exchange in his Alliance, and shall give bond in the sum of \$500 for the faithful performance of his duty.

ART. 9. That county trustee stockholders shall hold an annual meeting at the same time and place as the Farmers State Alliance of Maryland; *Provided*, That the board of directors shall have the power to call a meeting whenever in their judgment it is necessary.

ART. 10. The county board of trustee stockholders shall elect a business agent. The trustee stockholders in each county shall at the regular annual meeting elect a board of directors of not more than seven from their number to serve for one year, who shall supervise the work of the county agent, fix the amount of pay he is to receive and of the bond he is to furnish for the proper discharge of his duty.

ART. 11. The State trustee stockholders shall elect annually seven (7) from their number as a State board of directors, one (1) for each Congressional district represented and the others for the State at large, five (5) of whom shall constitute a quorum for the transaction of business. The State board of directors shall elect from their number a president, vice-president, and secretary and treasurer. They may employ and discharge such assistants as they deem necessary, fixing the amounts of their remuneration and of their bonds; they shall enact such by-laws and regulations as they deem requisite for the proper management of the business of the corporation, subject to approval by the next meeting of the stockholders; such by-laws and regulations to have full force of law till said meeting.

ART. 12. The commission charged shall be fixed by the board of directors, and shall only be sufficient for running expenses.

ART. 13. This act of incorporation may be modified, changed, or altered, or said corporation may be dissolved with the consent of three-fourths of the stock represented, and a majority of the amount thereof issued, at any general meeting of the stockholders of said corporation, convened for

such purpose, after thirty days' notice of such meeting shall have been given in two daily papers published in the State and in the State official organ.

ART. 14. Whenever this corporation may be dissolved, either by limitation of its charter or from any other cause, the stock shall be returned through the county and sub-trustees to the original contributors.

ART. 15. The compensation of the sub and county trustees shall be fixed by those Alliances subscribing stock.

ART. 16. The capital stock of this corporation may at any time be increased by a two-thirds vote of the stockholders to any amount not exceeding \$200,000.

Support the Organs.

R. M. Brown, secretary of the Alliance at Fort Gaines, Ga., sends the following communication, which it is hoped every Alliance member will read:

The year 1889 passed out under a phenomenal spell of pleasant weather, and placed its history on the records of the past, only to issue the new year into the present, in the beginning of which it behooves us to review our acts and labors of the old and enter the failures and the causes thereof on the title page of the new year's record, and endeavor to profit thereby. The organs of our order have kept us informed as to the acts and doings of the national and State officials for the year, and be it said to their praise, by untiring energy and unremitting efforts, and personal sacrifice of time and money, have succeeded in uniting three million of the most conservative people of the nation under the banner peace, good will to man with equal rights to all, and special privileges to none. This achievement is truly calculated to inspire us with hope that the ends to which we aspire are obtainable, and to impel renewed efforts to perform our whole duty toward accomplishing the same. As I take it, the first step in that line is to secure a year's subscription to our national and State organs (if it has not already been done), for it is through them alone that we can possibly hope to be kept posted and in line for the conflict. It is impossible for any one to appreciate a subject on which he is not informed. And how can he learn without a teacher? and how can he teach unless he be sent? I fear that some of us are satisfied that our favorite political paper is sound on the principles that we advocate, and therefore a good enough Alliance paper. Suppose each and every one of us were to take that contracted view of the subject, how long would or could our organs exist?

Brethren, subscribe, each and every one of you; read and gain intelligence on the issues that are overwhelming us; and at the same time learn methods to subvert them. In my humble opinion the general press is operated for the pay arising therefrom, and the ones that pander to the prejudices of the greatest number are the most popular; and I would ask, if the partisan papers have not during national and State campaigns reverted to side issues, and even to slander, to divert the attention of the people from that which should have been the true issue—the Government's (Pandora's) box national system of finance.

Brethren, I trust you will support your organ, uphold the hands that are assiduously striving to make them a power that can and will command respect and wield an influence over the whole land. Won't you do it?

First secure your own papers, afterward take as many of your favorites as you may desire.

THE ECONOMIST Almanac is going like hot cakes. A new edition is now being printed.

THE NATIONAL ECONOMIST.

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.
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SUBSCRIPTION PRICE, ONE DOLLAR PER YEAR.

Advertisements inserted only by special contract. Our rates are fifty cents a line nonpareil. 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 contracts entered into.

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 to 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

POSTAGE stamps are received at this office in such quantities that a halt must be called, and patrons of THE ECONOMIST are requested to use them in remitting only when no other means is available. When used care should be taken to make it impossible for them to adhere together.

BANK CIRCULATION.

A bill is before Congress to allow the banks to issue currency to the full face of the bonds deposited instead of the 90 per cent, as is now the law. It is claimed that an increase of currency would be the result, and it is for that purpose the bill is being urged. The facts do not sustain this proposition, because the Secretary of the Treasury has repudiated the national bank act, and put in operation a law of his own which is much easier and far more profitable to the banks. Under the banking act, a corporation with \$1,000,000 in United States 4 per cent bonds could obtain but \$900,000 in national bank currency, for which they would have to pay 1 per cent tax per annum, or \$9,000, besides keeping the usual reserves, etc., etc. Under the ruling of the Secretary of the Treasury, this same corporation, with the same amount and kind of bonds deposited in the United States Treasury, can have deposited with them by the Government \$1,100,000 in gold or legal-tender without the 1 per cent tax or any other expense. The Secretary, by this ruling, has virtually killed the circulation of national bank bills, and gives another example of the dangerous power placed in the hands of that officer. A corporation would be false to record that would not take \$200,000 more currency at an expense of over \$10,000 less taxation. This is one of the potent reasons why banks are retiring their currency. They can get it cheaper in another way. The Comptroller's report shows that on October 1, 1889, there was \$145,668,150 of United States bonds held on deposit to secure \$130,207,285 of circulation. That eleven banks with an aggregate capital of \$13,000,000, and with \$462,500 of United States bonds deposited with the treasurer, had no bills in circulation at all. Some of these banks never had a dollar out in circulation, and others have sur-

HON. A. J. STREETER'S POSITION.

Dr. Albert C. Gore, of Hohenlinden, Miss., incloses a letter from Hon. A. J. Streeter, with the permission to use. The patriotic utterances of this prominent leader are worthy of careful consideration. As the writer says, a better plan might be devised, but this is formulated and will be effective; if not perfect, its defects will appear and it will grow to thorough practicability in its application:

You ask what I think of the proposition adopted by the Farmers and Laborers Union, when assembled in St. Louis, for the Government to erect warehouses and advance a sum of money, at a low rate of interest, on warehouse receipts for imperishable products of the soil, etc. In answer I will say, this plan may not be the best that can be devised to relieve the country, and especially the agricultural class, from the distressing conditions that now environ it; but it is a step in the right direction. It would put more money into circulation and give farmers better prices. The only objection that was raised to this proposition at the St. Louis convention, so far as I can remember, was that it was in the nature of class legislation, in that it gave to the cotton and grain producers the opportunity to obtain advances on their products at low rates of interest, while producers of fruits, vegetables and other perishable products would be excluded from the benefits of such law and would still have to patronize banks. To some extent this objection is well taken, but until the objectors can offer something better they cannot successfully oppose it. For twenty-five years the national banks as a class have had this privilege. The law makes the banks a privileged class who may obtain currency from the Government at 1 per cent per annum, all exempt from taxes by State, or local, or municipal authority. The objector to this proposed plan should be able to offer something better in lieu of it, and if he does not do this then his objection lies with much greater force against the present law, and to oppose a change is the same as to support the present law. A few thousand banks are now benefited by a class law, and those not a needy class; but the proposed plan would benefit thirty millions of wealth producers, many of whom have been driven to the ragged edge of poverty and want. Hence, I say again, that no objection is worthy of serious consideration unless it presents a better plan and repeals the law-making banks the privileged class.

Though this plan may not be the best, still it is far better than the one now in force, and as such I support it. What the future of the Union Labor party may be is more than I can tell, but the principles and objects of the Farmers and Laborers Union are the same, in the main, as those of the Union Labor party, and I am not particular which comes in first, or ahead of the hounds. It is not office we need so much as a change in the administration of affairs, and to the end that prosperity may be again restored to the great common people.

The farmers are now organizing as never before; they see the necessity of standing together, shoulder to shoulder, in self-defense. They have tried both old political parties, and both have failed to give relief, and now the impending crisis comes. It is good statesmanship to guide and direct the movement in the way that the greatest good to the greatest number may be promoted thereby.

The Maryland plan of business co-operation, through a State Exchange, is modeled after the exchanges of Georgia and South Carolina. Its provisions should be carefully examined by members in States not yet organized in this respect, and for this reason it is published on another page.

IS THIS FAIR TO THE PEOPLE?

When the bill instructing the Superintendent of the Census to include farm mortgages, etc., in his report was being discussed in the Senate, Senator Spooner of Wisconsin stated that he had never known a man in his State to lose his farm by foreclosure, and his colleague, Senator Sawyer, said he had knowledge of but one. These statements were made and have gone out to the world, as evidence against the claim that the farming interests of this country are suffering. These two Senators have placed themselves on record as positively denying that there is any suffering or loss of property in their State on account of mortgage indebtedness. When these statements reached Wisconsin, the people of that State were amazed at the ignorance of these Senators, or the desire on their part to misrepresent the true condition of their constituents. In order to ascertain the facts the Milwaukee Daily Journal began an investigation. It says:

The Journal has made a little investigation to show that Mr. Sawyer is wilfully, or rather politically, ignorant on the question, and that Mr. Spooner has adopted for political purposes a statement that he knows is untrue. Mr. Sawyer's statement was meant to carry with it the idea that foreclosures of farm mortgages do not occur in Wisconsin, not merely that the Senator was ignorant of them. He carried the idea that the Wisconsin farmers are in no ways oppressed by debt, but that they are content to live for the purpose of voting for the Republican ticket and high tariff, which has surrounded them with such blessings and made life easy for them. Whether Mr. Sawyer spoke the truth or not let the facts answer. The press of the State should know as well as any body all the facts in the case, since it is in the columns of the newspapers that foreclosures must be advertised. Here is the first place then to search for evidence of the foreclosures of farm mortgages, if there are any such. In going through a bundle of forty State exchanges picked up haphazard from the pile of papers daily received in the Journal office, notices of foreclosure sales of farm property were found in fourteen, or over one-third of them. This is rather a bad showing for Senator Sawyer's pretensions, and yet the list of papers examined does not include more than one-eighth of the number of papers in the State. If the same proportion holds good in the rest of them, it would show that over 250 farm mortgages are now undergoing the foreclosure process in this State. Even if the number were placed at 200, the contemplation would be a fearful one. When Senator Sawyer's remarkable deliverance on this question was reported, the Journal wrote for the records of foreclosure in most of the counties of Eastern Wisconsin as far North as the farming region extends, asking the number of foreclosures of farm mortgages during the past ten years and the approximate amount involved. In answer thereto the following letters have been received, which for the most part are official, and consequently proper and unanswerable evidence:

The Oshkosh Times of January 24, published at Senator Sawyer's home, says: "In the year 1888 ten mortgages were foreclosed on farms in Winnebago county and in 1889 four more changed hands in the same way. It is difficult to obtain data sufficient to make comparison with other counties; but Judge Burnell states that in Calumet county one lawyer told him that he alone had nine cases of foreclosure upon his hands."

Space will not permit the printing of the long list of letters. The Journal summarizes them as follows:

The above letters show that in the nine counties of Brown, Calumet, Dodge, Kenosha, Ozaukee, Racine, Rock, Sheboygan and Washington alone the farm mortgage foreclosures have numbered 711 in ten years, involving an amount of \$1,297,905.49, which is in most cases exclusive of costs of foreclosure. This is an average of \$1,825 to each mortgage. These counties contain about one-sixth of the population of the State, but to be within the limits, let them be estimated at one-fourth of the agricultural part of the State. They are probably no more or less prosperous than

THE NATIONAL ECONOMIST.

other counties, and taking them as a basis it is a fair estimate when we say that in the past ten years at least 2,500 farm mortgages have been foreclosed in the State, and the amount of mortgage debt represented by them is at least \$4,500,000. This is at the rate of 250 mortgages a year, and the estimate comes close to the number of foreclosures now being advertised in the State, the yearly amount of the foreclosures, including costs, being at least \$500,000. This is the state of affairs in Wisconsin regarding the foreclosure of farm mortgages, and Senator Sawyer stands convicted by the figures. Is he merely as ignorant as he pretends, or is his ignorance assumed in obedience to the demands of partisanship?

Is it fair for two men occupying the position of United States Senator to misrepresent the facts in this manner? They not only place their own State in a false position, but by implication charge every organization that favored the passage of the bill with insincerity.

WHEN A NATIONAL BANK DESIRES TO WITHDRAW ITS CIRCULATION, IT CAN NOT GO TO THE TREASURY AND RECEIVE THE DIFFERENCE BETWEEN THE AMOUNT OF BONDS AND THE AMOUNT OF ITS CIRCULATION, AS MANY SUPPOSE. IT MUST FIRST DEPOSIT LAWFUL MONEY TO THE EXTENT OF OUTSTANDING NATIONAL BANK NOTES, AND RECEIVE THE FULL AMOUNT OF BONDS DEPOSITED. BY SO DOING IT REDUCES THE CIRCULATING MEDIUM OF THE COUNTRY TO THAT EXTENT. BY THE REPORT OF THE COMPTROLLER OF THE CURRENCY, PAGE 31, IT WILL BE SEEN THAT \$72,437,560 OF LAWFUL MONEY IS HELD IN THE TREASURY TO REDEEM OUTSTANDING NATIONAL BANK CURRENCY, AND ONLY \$145,668,150 IN BONDS HELD FOR NATIONAL BANK CIRCULATION. UNDER THE PRESENT SYSTEM, EVERY DOLLAR OF NATIONAL BANK CURRENCY RETIRED IS SO MUCH CURRENCY TAKEN OUT OF CIRCULATION. IN THIS LIES THE DANGER IN GIVING TO SUCH CORPORATIONS, THE POWER OF INFLATING OR CONTRACTING THE CURRENCY AT WILL, BECAUSE SUCH POWER IS ALWAYS EMPLOYED FOR A SELFISH PURPOSE. WHEN CONTRACTION WILL BE MORE PROFITABLE TO THOSE CORPORATIONS THAN INFLATION, THE CURRENCY IS CONTRACTED. THE PEOPLE AGAINST WHOM THIS CONTRACTION IS AIMED ARE HELPLESS AND WITHOUT REMEDY. THE SITUATION IS CAREFULLY EXAMINED, AND WHEN A LARGER VOLUME OF CURRENCY IS MOST NEEDED, A CONTRACTION IS CERTAIN TO BE MET. AT THIS JUNCTURE, BORROWERS ARE TAUGHT THE POWER OF MONEY TO OPPRESS. IT IS TO PREVENT THIS OPPRESSION THAT THE SUB-TREASURY PLAN IS PROPOSED. IT WOULD MAKE INDEPENDENT THAT PART OF OUR PEOPLE WHO ARE NOW SUFFERING FROM AN UNJUST DISCRIMINATION IN THE BENEFITS OF GOVERNMENT PRIVILEGES.

TAKE THE PRIMARY FORMS OF COMBINATION, THE AGREEMENT TO SUSTAIN RATES AT FIXED AND ARBITRARY FIGURES. IT IS SOMEWHAT DIFFICULT TO GO BACK IN RAILROAD HISTORY TO THE TIME WHEN THESE AGREEMENTS WERE FIRST MADE, BUT THE PERIOD WHEN THEY BECAME A LEADING FEATURE IN THE POLICY OF THE TRUNK LINES IS WELL KNOWN, NAMELY, IN THE ERA FROM 1874 TO 1877. BEFORE THE COMPETITION BETWEEN THE TRUNK LINES HAD GROWN TO A DEGREE WHICH MADE IT NECESSARY TO FORM SUCH AGREEMENTS AS A LEADING FEATURE IN NATIONAL POLICY, THROUGH RATES WERE ESTABLISHED FROM NEW YORK TO SAN FRANCISCO, THROUGH BILLS OF LADING WERE GRANTED, AND THE EVILS OF DISCRIMINATION HAD BECOME WIDELY APPARENT. IT IS A CONCLUSIVE FACT THAT THE "PRESIDENTS' AGREEMENTS" WHICH WERE PROMINENT IN 1875 AND 1876 DID NOT CONTAIN A SINGLE WORD ABOUT THE ESTABLISHMENT OF THROUGH-TARIFFS OR THE ISSUE OF THROUGH BILLS OF LADING. SO WITH REGARD TO THE PURPOSE WHICH MR. ALEXANDER ALLEGES, THAT OF SUPPRESSING DISCRIMINATION. IN THOSE AGREEMENTS

RAILWAYS;

THEIR USES AND ABUSES,
AND THEIR EFFECT UPON REPUBLICAN INSTITUTIONS
AND PRODUCTIVE INDUSTRIES.

BY JAS. P. HUDSON,
Author of "The Railways and the Republic."
No. 42.

A SHORT REVIEW OF THE HISTORY OF RAILWAY COMBINATIONS WILL COMPLETE THE PROOF THAT THE ALLEGATION OF OTHER PURPOSES THAN THE SUPPRESSION OF COMPETITION IS WHOLLY MISLEADING AND ERRONEOUS.

RAILROAD HISTORY WILL SHOW THAT AGREEMENTS FOR MAKING THROUGH RATES, FOR ISSUING THROUGH BILLS OF LADING, AND THE ESTABLISHMENT OF THROUGH ROUTES OF SHIPMENT CONSISTING OF HALF A DOZEN CONNECTING LINES, HAVE BEEN MADE WITHOUT NUMBER. THEY DO NOT COINE WITHIN THE PROVINCE OF THIS DISCUSSION, BECAUSE THEIR OBVIOUS AND LEGITIMATE PURPOSE HAS NEVER BEEN CRITICIZED. BUT THE FACT WILL APPEAR THAT ALL SUCH AGREEMENTS HAVE, IN THEIR ORIGIN AND PURPOSE, BEEN ENTIRELY SEPARATED FROM THOSE WHICH ARE UNDER DISCUSSION ON ACCOUNT OF THEIR CHARACTERISTIC OBJECT OF SUPPRESSING COMPETITION BETWEEN THE RAILROADS. WITH REGARD TO THE LATTER, THE ANSWER TO ALLEGATIONS LIKE THOSE OF MR. ALEXANDER, MR. FINK AND MR. WALKER, THAT THEY WERE INTENDED TO FACILITATE THROUGH SHIPMENTS TO EVERY PART OF THE COUNTRY, OR THAT THEIR PURPOSE IS THE PREVENTION OF DISCRIMINATION, THE COMPLETE ANSWER IS FURNISHED BY THE FACT THAT SUCH PURPOSES NEVER WERE APPARENT IN THEIR ORIGIN, AND NEVER HAVE BEEN ASSUMED EXCEPT WHERE THEY WERE SECONDARY TO AND UNDERTAKEN FOR THE PURPOSE OF AIDING THE PRINCIPAL PURPOSE OF SUPPRESSING COMPETITION. WE HAVE SHOWN IN THE PREVIOUS ARTICLE THAT THE FORM OF ORGANIZATION ADOPTED BY THESE COMBINATIONS WAS NOT SUCH AS TO SUBSERVE THE LEGITIMATE AIDS. IT IS NOW SUFFICIENT TO SHOW BY A SHORT REVIEW THE FACT THAT THE ACTUAL ADOPTION OF THEM WAS NOT UNDERTAKEN WITH THOSE PURPOSES.

TAKE THE PRIMARY FORMS OF COMBINATION, THE AGREEMENT TO SUSTAIN RATES AT FIXED AND ARBITRARY FIGURES. IT IS SOMEWHAT DIFFICULT TO GO BACK IN RAILROAD HISTORY TO THE TIME WHEN THESE AGREEMENTS WERE FIRST MADE, BUT THE PERIOD WHEN THEY BECAME A LEADING FEATURE IN THE POLICY OF THE TRUNK LINES IS WELL KNOWN, NAMELY, IN THE ERA FROM 1874 TO 1877. BEFORE THE COMPETITION BETWEEN THE TRUNK LINES HAD GROWN TO A DEGREE WHICH MADE IT NECESSARY TO FORM SUCH AGREEMENTS AS A LEADING FEATURE IN NATIONAL POLICY, THROUGH RATES WERE ESTABLISHED FROM NEW YORK TO SAN FRANCISCO, THROUGH BILLS OF LADING WERE GRANTED, AND THE EVILS OF DISCRIMINATION HAD BECOME WIDELY APPARENT. IT IS A CONCLUSIVE FACT THAT THE "PRESIDENTS' AGREEMENTS" WHICH WERE PROMINENT IN 1875 AND 1876 DID NOT CONTAIN A SINGLE WORD ABOUT THE ESTABLISHMENT OF THROUGH-TARIFFS OR THE ISSUE OF THROUGH BILLS OF LADING. SO WITH REGARD TO THE PURPOSE WHICH MR. ALEXANDER ALLEGES, THAT OF SUPPRESSING DISCRIMINATION. IN THOSE AGREEMENTS

ments which inaugurated the system of railroad combinations the student will seek in vain for any word, or even the indication of a purpose that the parties in agreement should abolish the evil of rebates, or special rates, or any other form of individual favoritism. Those evils went on unchecked, and the only care of the policy of railroad combinations at that period was that they should not go to an extent which would amount to a competitive reduction of rates under which all shippers could gain an equal advantage. The sole aim of these agreements was that the parties to them should abstain from carrying competition to the length of reducing their rates.

The policy of suppression competition by the division of territory has been so rarely resorted to in railroad policy that its history may not be conclusive, but it is significant that, in the few cases which afford an illustration, it operated exactly in the opposite direction from those purposes which are alleged. In the agreement of 1876, by which the Pennsylvania and Baltimore and Ohio railroads established a division of territory with regard to the coal traffic arising on their respective lines, there was no trace of an intention to facilitate through shipments of coal from the territory of one line to the territory of another. On the contrary, the purpose of the agreement was to prevent the coal mined on the line of one railroad from going, under any circumstances, into the territory assigned to the other corporation. The allegation of this as a leading and beneficial function of the pool was entirely an after-thought. Both in the organization of the pools and in the assumption by the pools of the control of the through rates and the establishment of through bills of lading, the purpose of suppressing competition even at the expense of lessening the efficiency of railroad service, was confessed and pre-eminent.

Probably the first formal allegation of these purposes as the object of pooling, was made by Mr. Fink in a case before the New York commission in 1885, in which the methods adopted by the pool were challenged by a leading organization of shippers in New York. Mr. Fink alleged on behalf of the pool that "the associated companies assume the responsibility of delivering the freight to points of destination beyond the terminus of the road which originally receives the freight," and that "they issue through bills of lading and make all proper arrangements for a transfer of the freight." Beyond the fact that the combination such as Mr. Fink represented the pool to be, would be made of connecting and not of competing roads, the above plea was shown to be utterly insincere by the fact that through bills of lading and connections from the East to the West were established before the pooling association took charge of the work, and that the improvement under that method was of slight value. The Traders and Travelers Union, which made complaint in this case, completely answered this plea with the statement that "through bills of lading were issued long before the organization of the Trunk Line pool, and the service then rendered was quite as satisfactory as under the present system."

Another argument of Mr. Fink, which to a certain extent covers the same ground as that assumed by Mr. Alexander in his claim that pooling is for the purpose of preventing discrimination, is fully exposed by the lead-

sions of territory that had been made, proved utterly powerless to suppress. When the pools were put into operation they did not combine themselves at all with the purposes that are now alleged by their advocate in their behalf. The Trunk Line pool simply organized in such a manner as to bring into one common total the competitive business between Chicago and New York, and to assign to each railroad an arbitrary and stipulated percentage of that total, whether it carried more or less. The importance of establishing through rates beyond Chicago did not concern the pool until it was found that the competition of the through lines established by the connections of the Trunk Lines beyond the territory of the pool, interfered with the pool. There was no pretense at the time the pools assumed control of this branch of railway operation, that it was done for facilitating and improving the railroad service. It was clearly recognized to be secondary and subsidiary to the great railroad policy of preventing competition between the lines. The allegation of this as a leading and beneficial function of the pool was entirely an after-thought. Both in the organization of the pools and in the assumption by the pools of the control of the through rates and the establishment of through bills of lading, the purpose of suppressing competition even at the expense of lessening the efficiency of railroad service, was confessed and pre-eminent.

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Another point with regard to the allegation that the pools seek to prevent discrimination will require more detailed examination in future article, but it is sufficient to find out the fact in this connection. That is, the fact that is shown by the history of

the pools that not only have they not prevented discrimination, but some of the most notorious and permanent pools have maintained themselves by enforcing discriminations which practically established a monopoly in the business that they controlled. The live stock pool from Chicago, during the greatest part of the seventies, maintained the "live stock eveners' pool," by which a single firm of cattle shippers from Chicago were given the benefit of a tax of from ten to sixteen dollars per car on every car of live stock shipped from Chicago. The live stock pool which succeeded this remarkable combination perpetuated its policy by the discrimination against dressed beef. The pool of the trunk lines which divided the petroleum shipments of the Pennsylvania oil regions, in 1877, supported that combination by a discrimination in favor of the Standard Oil Company, which perfected the monopoly of that corporation upon the petroleum refining trade. The anthracite coal pool, which added to its features the device of an arbitrary suspension of production, enforced that rule by discriminations against every individual coal producer who did not obey the order to cease mining at stated periods. In all these pooling combinations the enforcement of a vital discrimination in favor of certain shippers, or against certain disfavored or rebellious shippers, were vital features. By means of such favoritism these pools were the most successful and lasting ones in the effort to suppress competition. All these abuses are wholly untouched in the local traffic of the road, and the pool gives not the slightest degree of attention to them. Pooling, as Mr. Fink says, has nothing to do with local traffic. It does not care how universal or grievous such abuses may be upon the traffic which does not affect the general prosperity of the railroad business by offering itself for the competition of more than one railroad. The fact that the pools, or any other form of combination between competing railroads, have never given the slightest attention to the abuses which they are alleged to restrain, when they exist in the local traffic of the roads, shows that the pools care nothing for those abuses and that the pretense of their reformatory purpose is a delusion and a sham. If there was in such a combination any purpose of uniform methods, or of reformatory work, apart from the prevention of competition, why should not the local traffic of the combining roads be brought under the immediate provisions of the pools and the abuses which the pool pretends to reform be abolished from the local as well as from the through shipments? It is simply because the sole purpose of the pool is to avoid or suspend competition, and where the traffic is not competitive the necessity for the pool is entirely absent.

When a new trunk line came into existence, between Chicago and New York in 1879, the pools which had been upholding the eveners' discrimination went to pieces, and that discrimination was abolished. When a single trunk line refused to support the discrimination against dressed beef, the pool lines had to bring down their rate to about half what the combination had previously established. The only periods in which the independent refiners of petroleum have been able to obtain anything like equality with the Standard Oil Company in freight rates, were those in which the pooling combination went to pieces and the competition of the roads for all their business placed the independent refiners nearly upon an equality with the Standard.

But this fact brings out the last and most convincing evidence of the falsity of the assertion that the purpose of railroad combination is either the facilitation of through shipments or the prevention of discriminations. At the present time, when the railroad associations are restrained by law and the force of circumstances to the performance of that function, the discovery is made that they are inefficient. There is no doubt about their ability to establish through rates or to issue uniform bills of lading, for they are doing that work. There is no doubt about their ability to organize for the detection of discrimination, for the interstate commerce law furnished them a tribunal where they can bring complaints and secure the trial of the offenders. But the one thing which the present railway association cannot do is to place any permanent restraint upon the forces of competition. So soon as experience has shown the impotence of the railway association against the great force of competition, exactly at that time it is asserted that the railway associations are unsatisfactory, and that more enduring forms of combination, either in legalized pools or in the combination of control described as trust, must be resorted to. It is plain, therefore, that the organization of railroads for competing railroads by the trust method of combination is being urged at present solely for the purpose of preventing competition.

This preliminary study of the purposes of railway combination will, we hope, make it perfectly clear to every reader of THE NATIONAL ECONOMIST who may follow it. But one purpose has ruled in the organization and policy of railroad combination for the past fourteen years. This single purpose shines out in each form of combination as follows:

1. The combinations by agreement to sustain rates at certain fixed and arbitrary figures aim to prevent competition from reducing rates below the agreed tariff.
2. The agreements to divide territory aim to take away the inducement for competition by giving each railroad a monopoly within its territory.
3. The agreement for pooling combinations, either with the pooling of traffic or by the pooling of revenue, seek to destroy the incentive for competition by giving each member of the pool a stipulated and arbitrary portion of the business, or a stipulated and arbitrary proportion of the revenue derived from the business.
4. The combinations by means of placing the control of the competitive lines under a single head or organization known as a "trust" take away the power to compete from every line by destroying its independence.

5. Every change from one form of combination to the other has been made solely because the form of the organization which was abandoned proved insufficient to restrain the force of competition, while the alleged purposes of preventing discrimination or of aiding the functions of joint traffic have been ignored or placed in a secondary position.

While agreements for legitimate purposes may therefore be made between the corporations and be tolerated by the public, we can commence the study of the existing policy of railroad combination, with a clear understanding of the fact that it was inaugurated for the purpose of suppressing competition; that it was enforced with that sole object; that success has been claimed when it was able to suppress that competition; that a failure has been recorded for it when competition proved the most powerful; and that combinations have been abandoned or maintained solely as they proved equal or inadequate to the great corporate purpose of strife and abolishing competition.

THE NATIONAL ECONOMIST.

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

SOUTHDOWN SHEEP.

It is not to be doubted, it is scarcely disputed even by partisans of other breeds, that the Southdown sheep furnishes the best mutton in the world. A well fattened Southdown furnishes a saddle or leg of mutton which, if skillfully butchered and well cooked, is as wholesome and delicious as any dish of human food ever placed upon the table. It contains by analysis more nutriment than beef and is much more digestible. To be at its best mutton should not be grain fed, and there is no pasture which brings it to such perfection as one of those which are to be found in the Eastern Piedmont slopes, mainly set in the blue grass, the *fod compressa* of the botanist, otherwise variously known as wire grass or English blue grass. The only writer who does justice to this grass is that remarkably practical and well informed botanist, Mr. John Stanton Gould. A Southdown well fattened on this grass furnishes mutton which is so immeasurably superior to the ordinary run of sheep meat that it may be said one who has not eaten it has no conception of what the best mutton is. The Southdown breed has existed from time immemorial on the Sussex downs of England. It was first improved by Mr. Elliman. Early in the present century the father of the late Jonas Webb suggested to his son to try experiments to see what breed of sheep would afford the greatest profit on a given amount of food. The Dishley sheep, or New Leicesters, as improved by Buhewell, were then considered greatly superior to all others. After experiments Jonas Webb came to a different conclusion; his experiments satisfied him that the Southdown gave the most profit on a given amount of food. He therefore procured a flock of Mr. Elliman's sheep and set about to improve them on his estate of Bubraham, and with such success that the Bubraham flock became famous throughout the world. He increased the size of the sheep and the weight of fleece, and at the same time the quality of the mutton. After the death of Mr. Webb a monument was erected to his memory by the agriculturists of England, which is perhaps the only instance in which such an honor has been accorded to the memory of a private citizen distinguished only as an agriculturist. Upon the death of his father Mr. Henry Webb selected sheep from the Bubraham flock, and has since bred them now nearly forty years without any admixture of other blood. About forty years ago Lord Walsingham established a flock by selections from the Bubraham flock, and placed at the head of its management as flock master Mr. Henry Wood, who still holds that position and has made the Merton flock the most famous in the world. The history of the Elliman flocks, of the Bubraham flocks, of Henry Webb's flock, and of the Merton flock of Lord Walsingham bring the history of the Southdown breed down to the present date. Certainly there are numerous other distinguished Southdown breeders, and at their head the Prince of Wales, but the celebrated flocks named cover in succession the whole period of the improvement of the breed, and show that the breed has been improved solely by correct principles of selection, breeding and management, and without any resort to any cross with any other herd of sheep.

THE NUTRITION OF PLANTS.

It appears to be established that the commercial manures, if drilled in with shelled grain, or dropped in the hill with such large plants as maize, tobacco, or cabbage, yield largely greater increase of crop than when broadcast on the land. In exact experiments made by the writer, the advantage of

contracted application was three times as great as the dilute application. The explanation undoubtedly lies in the fact that in the case of the dilute application of broadcasting the roots fail to get in contact with a large portion of fertilizing material, which is not sucked up by them in solution so as to be drawn to them by the suction from portions of the soil not in contact with the roots. It has been shown by direct experiment that if a concentrated deposit of manure be made in poor soil near the root of any plant or tree, such plant will develop a large mass of feeding roots at that spot. This fact is well known to agriculturists, and has been long known, but it has not been explained. We think it is to be explained just as we explain the increase in blacksmith's biceps, namely, increased function leads to increased development. The rootlet which reaches this concentrated supply of plant food is at once kept in the fullest exercise of its functions in separating this food from the soil, absorbing and conveying it into the interior of the organism, and hence its demand upon the organism to supply elaborated nourishment for the support of that increased functional activity concentrates upon it the developing energies of the organism. This root and its branches grow and ramify in some degree at the expense of those reaching only dilute nutrient in the poorer portions of the soil. As the absorbing rootlets rapidly multiply and expand in contact with the mass of concentrated force, their functional activity increases until this bonanza of food supply is exhausted or the limit of functional energy of the plant is reached. When we put fertilizer in the hill or in the drill, as the case may be, we make a concentrated deposit of it, of which the plants avail themselves, as just explained. This happens because the hydrostatic water of the soil can not take it into solution and distribute it atomically through the whole mass of soil, which would be to take it out of the reach of the roots, and finally to wash it out of the soil. It is probable that this is also the explanation of the advantage of mixing commercial manure with compost, which by concentrating them in masses within the reach of the roots of the crop has the same effect as applying them in drills and hills with the seed. If these views be correct, this matter is one of much consequence in agriculture. It is certain that we should understand better than we do understand what constitutes a good or a bad mode of applying manure, and why it is a good or bad method. We may lose a great part of a valuable and costly manure by a faulty application of it, and then we shall be apt to charge the bad consequences of our own malpractice to fraudulent dealings of the fertilizer agent. We have then an opportunity for some very important practical work by the experiment stations, as well as some strictly scientific investigation which shall in turn yield practical fruit.

CRUISING IN THE CASCADES.

The above is the title of a book which we have just finished reading with a great deal of pleasure. It is a narrative of travel, exploration, amateur photography, hunting, fishing, and varied adventure, life among the cow-boys included. Mr. G. O. Shields, the author, widely known by his nom de plume, "Coquina," is not only an experienced expert in border life, but a well informed naturalist and a forcible as well as pleasing and fluent writer. The opening sentences of the volume we quote and endorse as a physician and hygienist, having

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observations and personal experience of that matter. "For any one who has the courage, the hardihood and physical strength to endure the exercise, there is no form of recreation or amusement known to mankind that can yield such grand results as mountain climbing, from a mental as well as a physical standpoint. It brings into use every muscle in the body; the lungs expand and contract like bellows as they inhale and exhale the purified atmosphere, and the heart beats like a trip hammer as it pumps the invigorating blood through the system; the liver is shaken loose from the ribs and the stomach aroused to such a state of activity as it has not experienced for years. Let any man, especially one of sedentary habits, climb a mountain 5,000 high; then let him breathe the rare, pure atmosphere fresh from the portals of heaven, and my word for it, he will have a better appetite, will eat heartier, sleep sounder, and awake next morning feeling more refreshed than since his boyhood." The descriptions of the grand scenery of the unfrequented frontier, of the strange animals, their habits and instincts, illustrated by thrilling incidents of their chase and capture, are graphic, thrilling and very instructive. The habits, manner of life, appearance and language of the strange people whom one encounters in this wild, weird borderland of civilization are graphically described, and the whole narrative constitutes an able and discriminating geographical report. Before we turn from this subject we wish to make some remarks upon the excellence of the mechanical work of this volume. The bookmakers' art has well nigh reached perfection. This book is very substantially put together; the binding is pretty and in good taste; the illustrations are numerous, well executed, and are very helpful elucidations of the text; the paper is heavy and smooth and the print is perfect. This writer having been, as it were, brought up on the Baltimore Sun, knows how to enjoy good print. If the rule should be enforced against the Sun, "an eye for an eye," where would the eyes come from? It is a grave question whether the size of type should not be regulated by law? Messrs. Rand & McNally, Chicago and New York, are the publishers of this volume. The mental worry and physical labor of reading such a book is a much more serious thing than the inexperienced are apt to suppose. The reading of fine print which lacks clearness is accountable for many a pair of ruined eyes and even more serious results.

Postal Telegraph Bill.

Below is printed a bill providing for a postal telegraph system, drafted by the legislative committee of the Knights of Labor, and presented at the last session of Congress. It covers the united demands in that respect of the Alliance and Knights, and is worthy of careful consideration by the members:

A bill to provide for the establishment of a postal telegraph system.

That there shall be established, built, operated, and carried on in the manner and by the means hereinafter in this act mentioned, a postal-telegraph system within the United States.

Sec. 2. That the better to carry out the purposes of this act, a special Bureau shall be created in the Post-Office Department, to be known as the Bureau of Postal Telegraphs, under the control and supervision of the Fourth Assistant Postmaster General, who shall be appointed in the same manner in which the other assistant postmasters general are appointed, and with the same salary. The duties of such officer shall be to exercise a general supervision over the administration of the telegraph, to make an annual report thereupon to the Postmaster General, which report shall show the

character, amount of the receipts and expenditures of said Bureau, and the number of Government and other dispatches transmitted during the year preceding the date of each report, the number of miles of new line constructed, the number of offices opened, together with such information as may be required. The Fourth Assistant Postmaster General shall have his office in the Post-Office Department, at Washington, and may employ such assistance and clerical force as may be necessary for the proper discharge of his duties, subject to the approval of the Postmaster General.

Sec. 3. That the rates for the transmission of messages shall be for five hundred miles, 10 cents for twenty words, and 5 cents for each additional ten words or less. From five hundred to one thousand miles, 20 cents for twenty words, and 10 cents for each additional ten words or less. From one thousand to one thousand five hundred miles, 35 cents for twenty words, and 15 cents additional for each ten words or less. And for greater distances, 50 cents for twenty words, and 20 cents for each additional ten words or less. Press dispatches for one thousand miles or less, one-third cent per word, minimum 15 cents. From one thousand to one thousand five hundred miles, one-half cent per word, minimum 25 cents. From one thousand five hundred to two thousand miles, two-thirds cent per word, minimum 30 cents. From two thousand to two thousand five hundred miles, 1 cent per word, minimum 35 cents. Greater distances 1/2 cents per word, minimum 40 cents. But nothing in this act shall be so construed as to prohibit or restrain the Postmaster-General from reducing at any time the rates for transmission of dispatches between any points on any of the routes or lines of the postal telegraph to meet those of competing lines.

Sec. 4. That the Secretary of War is hereby authorized and directed to acquire by purchase, subject to the approval of the President of the United States, the right of way for the construction of said postal-telegraph lines, and their extensions from time to time; and said Secretary, with such approval, is authorized and directed to locate such lines, and to take and use for that purpose such lands, tenements, and hereditaments as shall be necessary for the purpose, and pay such compensation therefor as shall be deemed reasonable; and in case an agreement cannot be made with the persons or corporations, whether municipal or other, in respect to such compensation, such person or corporation is hereby authorized to file a petition for the ascertainment of such just compensation in the Court of Claims of the United States, which court is hereby invested with jurisdiction to hear, try, and determine all questions relative thereto, subject to an appeal to the Supreme Court of the United States. And the sums of money necessary from time to time for the payment of such just compensation so determined, by the final judgments of such courts, respectively, is hereby appropriated out of any in the Treasury not otherwise appropriated; but no refusal of any party owning such lands, tenements, or hereditaments, or making any such claim for compensation, to receive such sum as may be proposed by the Secretary of War, with the approval of the President of the United States, for such compensation cannot be construed as to prohibit or restrain the Postmaster-General from reducing at any time the rates for transmission of dispatches between any points on any of the routes or lines of the postal telegraph to meet those of competing lines.

Sec. 5. That the money-order system existing and now in operation in the Post-Office Department shall, as soon as practicable, be adapted to the postal telegraph within the United States, wherever money-order offices are now or may be hereafter established, and the rates shall be the rates charged upon money-orders transmitted by mail, in addition to the regular charge for postal telegrams; but no postal-telegraph money-order shall exceed \$50.

Sec. 6. That all clerks, operatives, and employees, and all persons employed in the conduct of said business, and in the receiving, transmission, and delivery of telegraphic messages shall be deemed as officers employed by the United States.

Sec. 7. That all persons shall have the right to use of said telegraph lines for the purpose of corresponding by telegraph, subject to the rates herein mentioned and to the provisions of this law.

Sec. 8. That the Postmaster-General is hereby authorized and directed to adopt a system of telegraph stamps and postal-telegraph cards in connection with the said postal telegraph, and to fix the rates and the method of using the same.

Sec. 9. That telegrams shall be privileged communications in law to the extent that private letters now are. They may be written in private letter or cipher, and shall be transmitted in the order in which they are received at the several offices. All provisions of law relating to the secretion or destruction, or to the receipt, transmission, and delivery of mailed letters, and to the sale of stamps and stamped paper, and their improper use, shall, so far as pertinent, apply to the telegrams and telegraphic stamps. Every postmaster shall be accountable for all stamps and stamped paper furnished him. Any person connected with the postoffice who shall willfully remove from any telegram any stamp affixed theron, or who shall, contrary to his duty, disclose or in anyway make known or intercept the contents of any telegram, or any part thereof, or any person who shall willfully or maliciously obstruct or postpone the transmission or delivery or divulge the contents of any telegram, or any part thereof, or who shall injure or destroy any of the property of the postal department of the postal system of the United States, or interfere with the working, repairs, or use of any line of the postal telegraphs, shall, upon conviction in the district court of the United States for the district where such offense shall have been committed, or where such person may reside, be subject to a fine not exceeding \$200, or to imprisonment for a term not exceeding two years. It shall be the duty of the Postmaster-General to cause to be prosecuted, by the proper officers of the United States, all persons offending against the provisions of this section.

Sec. 10. That nothing in this act shall be construed to prohibit individuals or corporations from carrying on the business of operating telegraph lines.

Sec. 11. That there hereby is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$8,000,000, for the purposes hereinbefore in this act mentioned, for the fiscal year ending June 30, 1890.

THE NATIONAL ECONOMIST.

Bills of Lading.

The following is taken from one of our exchanges, and speaks for itself:

The legal and commercial world must settle down to the conviction that the bill of lading of a common carrier in its present form is not conclusive evidence that any such shipment has really been made. Under the several decisions of the Supreme Court there seems no longer any doubt. An agent of a railroad who signs receipts or bills of lading for grain or cotton which the carrier has never had in his possession exceeds his authority, and does not consequently bind his principal. There is an undertone of uneasiness throughout the trading community under this state of things. Under our modern conditions probably nine-tenths of the cotton and grain forwarded from the interior to the seaboard, whether for home consumption or export, are moved under bills of lading upon which the purchase money has been advanced, and which are presumed to pass the title to the property. Banks, commission houses, mills and merchants, all must rely upon the good faith which has heretofore been based upon the value represented by these evidences of title. If now a gigantic fraud may be perpetrated, at any time, upon banks and merchants, because no one can tell whether bills of lading regularly drawn and duly signed are valid or not our, whole commercial system is in danger of confusion.

Here is a strong argument in favor of the sub-treasury plan. With certificates issued by Government, through Government officials, and under Government restrictions all these doubts and difficulties would be removed. There would be no room for legal quibbles or railroad dishonesty. The power and honor of the nation would stand sponsor for the correctness of every certificate. With the punishment for counterfeiting and the rigid rules in national routine business, every purchaser would feel safe and secure in his rights. No worry about insurance, transportation or safe delivery.

AMID the universal cry of hard times, and the low price of labor and its products it is anything but pleasant to examine the estimate of national expenses for the coming year. The usual increase is found; this time of about \$18,000,000. In 1860, the Government expense per capita was \$2.07. Now it is nearly \$6. Such conditions must come from extravagance, which in turn is brought about through an overflowing treasury. The Government should either stop taking so much from the people or find a better method than profligacy to return it to them. Let the St. Louis sub-treasury plan be tried. Secretary Windom estimates the appropriations required for the service of the fiscal year ending June 30, 1890, as follows:

Objects.	For 1890.	For 1891.
Legislative	\$6,429,583 27	\$6,165,715 19
Executive proper...	153,644 00	151,124 00
State Department...	1,981,435 00	2,112,495 00
Treasury Dept.....	127,030,989 27	133,250,868 48
War Department...	47,052,073 93	46,638,507 52
Navy Department...	26,440,159 79	27,516,873 74
Interior Dept.....	117,054,420 77	94,888,379 50
Postoffice Dept....	9,119,131 65	6,394,304 50
Dept. Agriculture...	1,208,430 00	1,686,160 00
Department Labor...	158,410 00	141,560 00
Dept. Justice	4,800,700 00	4,518,770 00

Grand totals...\$341,428,977 70 \$323,467,488 34

These estimates show an increase as compared with the appropriations for the current fiscal year as follows: Legislative, \$71,541.60; executive proper, \$16,880; War Department, \$8,443,447.08; Navy Department, \$2,092,039.06; Interior Department, \$4,269,602.58; Postoffice Department, \$7,046,902.60; Department of Agriculture, \$119,392.62; Department of Labor, \$14,170. The estimates are less than the appropriations, as follows: Department of State, \$496,251.06; Treasury Department, \$3,630,379.77; Department of Justice, \$15,302.74, making a total net increase of \$17,933,040.91. The estimates for 1891 are \$17,961,489.36 in excess of the estimates for 1890. The principal increase in the estimates is for pensions and public works, the former exceeding the appropriations for the present year by \$8,827,816, and the latter exceeding the appropriations by \$6,996,272.06.

MRS. ANNIE L. DIGGS, editor in charge of the Alliance department of the Lawrence (Kas.) Journal, is not only doing good work for the Alliance, but doing it in an able, intelligent manner. Excerpts from this department are given below. After giving a very concise analysis of the sub-treasury plan, she says:

Why may not the farmers of this country receive as much favorable consideration from the general Government as the liquor interest. Government warehouses have been built in several States for the purpose of storing the liquor of the distillers, and the uncollected revenue on the liquor now stored in these Government warehouses amounts to \$46,000,000, not to speak of the cost of the buildings. The Farmers Alliance of McPherson county has raised \$3,000 to build an elevator to store their grain, awaiting reasonable and living prices. A little of the surplus of the United States Treasury applied in that vicinity would be acceptable. Is it not as well worth while for our Government to warehouse corn as to warehouse corn juice. This plan is offered by the monetary committee of the National F. A. and I. U., with confidence not alone as to its feasibility, but with the knowledge of its having been demonstrated as successful in relieving and tiding over an extreme crisis in the life of the French republic. We suggest that secretaries of Alliance who correspond with their national organ at Washington advocate the striking out of that clause of the sub-treasury bill which demands of Congress the abolition of the national banking system, for this reason: the national banking business will die easy when the F. A. and I. U. of America transact their own monetary business directly with the Government, which they intend to do. Non-partisan but not non-political is the purpose of the F. A. and I. U. Outsiders need not be unduly worried lest anybody is going to capture the Alliance for political purposes. The farmers, and their wives also, are wide awake, studying the situation; they know how to attend to their own business. The F. A. and I. U. membership is from all political parties, and there are no individuals so "leading" that they can deliver the farmers and laborers over in a body to any party. Let no one lie awake o' nights to be distressed. The Alliance work is chiefly educational. If, as a

result of their study of such legislation as

In the Alliance let us pledge each other and the world that the memory of those who kindled the fires of liberty upon our eastern hills, and which drew to our shores the liberty-loving and oppressed of all lands—that we will not only rekindle those fires which now give but a flickering and uncertain light—but we will place electric lights upon every hill-top, be they covered with perpetual flowers or locked in eternal ice, so that every man and woman who labors may see to reap the fruits of their labor without fear of molestation by corporations or individuals who come like thieves in the night to plunder your homes, leaving you with empty cellars, cornless cribs, barren barns, and flockless fields, to witness the clothes snatched from your children, and the bread from their mouths. With all this, after long weary years of toil, is it a wonder that the loving wife, who has ever stood loyally by you, is left like Rachael of old, weeping for her children, refusing to be comforted. * * * A farmer to-day in an agricultural country, blessed above all others in natural advantages, must sell his wool to pay interest and taxes, and himself and family wear cotton goods. The man who raises cattle, hogs or sheep goes without meat, for the interest

must be paid, and there is no butter, eggs

or chickens for the farmer's table, for they are tax and interest paying products. * * * We meet in the Alliance to discuss these questions which affect us as individuals and as a nation. The farmers and workingmen being the wealth producing classes are justly entitled to not only the necessities, but a fair share of the luxuries of life as a just compensation for their toil. But what do we see? One man alone, in a few short years, accumulates property the estimated value of which is equal to one-half of the assessed value of all the real and personal property in the State of Kansas. Look at the grand army of men throughout the State gathering corn to-day, a bushel of which is required to pay the interest on each dollar of their incumbrance. These are brave, loyal men who toil day and night to secure for themselves and loved ones a home. * * * It is within the province of the Alliance to discuss these questions. Let us lay aside all partisanship and reason together. We may not be able to discuss these questions with the eloquence of our opponents, for corporations, combinations and trusts have secured the services of the orators and ablest attorneys in the land. But we can think, exchange views and formulate them, as the right of petition guaranteed to us by the Constitution is still ours. We can reach the legislatures and Congress, and through organization demand the enactment of such laws as will be just and fair toward all people in every condition of life. It is a duty we owe ourselves and posterity, that laying aside all partisan and sectional prejudice we meet and seriously discuss the questions which will be brought before us. We will ask questions and suggest ideas which will bring us face to face with the real issues.

Unanimous Indorsement.

The following resolution of the Milam county, Texas, Alliance is sent to this office for publication:

Resolved (by the Milam County Farmers Alliance, in session on the 22d day of January, 1890,) That we heartily indorse the sub-treasury plan as adopted by the Farmers Alliance and Industrial Union at St. Louis in December, 1889, and that we pledge ourselves to labor for putting of the same into operation. Adopted unanimously.

OFFICIAL.

PRESIDENT L. L. POLK and Secretary J. H. TURNER, of the National Farmers Alliance and Industrial Union, have secured offices at No. 916 E street northwest, where their mail should be addressed. Papers friendly to the order will please note this change of address.

OFFICE PRES. OF THE N. F. A. AND I. U., WASHINGTON, D. C., January 16, 1890.

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

Texas, 22d February to 15th March.
Arkansas, 17th March to 31st March.
Kentucky, 2d April to 16th April.
Indiana, 18th April to 2d May.
Wisconsin, 6th May to 20th May.
Dakota, 23d May to 10th June.
Nebraska, 12th June to 24th June.
Colorado, 26th June to 10th July.
New Mexico, 12th July to 19th July.
Indian Territory, 22d July to 30th July.
Missouri, 2d August to 16th August.

The President of the N. F. A. and I. U. in each of the above-named States, is respectfully requested to arrange and publish appointments in his State for the Lecturer, in conformity with the dates above named, so as to enable him to deliver an address every other day during the time allotted to his State, and to forward the list of such appointments to this office. As it is impractical

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The National Economist
WASHINGTON, D. C.

cable for the Lecturer to make an extended canvass of any one State, it is hoped that such points may be selected, and such publicity given, as will secure the largest attendance of the members. Especially is it desirable and important that State, county, and subordinate officers and lecturers be present at his lectures.

L. L. POLK,
Pres. N. F. A. and I. U.

AT an early day the Ritual, containing form for burial service, will be published and issued from this office. Also, the Constitution and Statutory Laws of the Order, with simple and practical rules of parliamentary usage.

These books will be printed in neat and durable style and will each bear the imprint of the seal of the National Order. Rituals and National Constitutions without such imprint will not be recognized as official.

This office can supply State secretaries only. Members of the order must apply to their State secretary.

By order of the President:

J. H. TURNER,
Secretary N. F. A. and I. U.

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, and J. F. Tillman.
Judiciary Department—R. C. Patty, Chairman; Isaac McCracken, and Evan Jones.

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The following resolution endorsing the "History of the Wheel and Alliance and The Impending Revolution" was passed by the national body which met at St. Louis, December 3d, 1889:

WHEREAS, Brother W. S. Morgan has written a History of the Wheel and Alliance, and

WHEREAS, Said history has been endorsed by many of the leading and most eminent members of the order, and

WHEREAS, This convention recognizes the fact that the circulation of the book as an educator will contribute much to the advancement of the great principles of our order, therefore

Be it resolved, That this convention endorses the book as a reliable history of the order, and a true exponent of its principles and we recommend it to all members of the order.

The following recommendation was attached to the above resolution, signed by the members whose names are printed below:

We, the undersigned members take special pleasure in commending this book to all members desiring information regarding the History of the Wheel and Alliance and the great Impending Revolution.

Evan Jones, President Farmers and Lab. Union.
Isaac McCracken, Pres. National Wheel and Vice-Pres. Farmers and Laborers Union.

C. W. Macune, Pres. Farmers National Alliance and editor NATIONAL ECONOMIST.

B. H. Clover, President Kansas State Alliance.

S. B. Erwin, President Kentucky State Wheel.

J. E. Quicksell, Pres. Kentucky State Alliance.

H. W. Hickman, President Missouri F. and I. U.

R. M. Humphreys, Supt. Col'd National Alliance.

J. H. McDowell, Sec. Tennessee State Alliance.

R. W. Tucker, Lect. Tennessee State Union.

J. F. Tillman, Mem. Nat. Exec. Com. F. A. & I. U.

A. E. Gardner, Sec. Nat. Farm. and Lab. Union.

H. C. Brown, Sec. Kentucky State Wheel.

Geo. A. Gowen, B. A. Tennessee State Union.

Linn Tanner, Treas. N. F. and I. U.

J. A. Tets, Mem. Nat. Ex. Com. F. and I. U.

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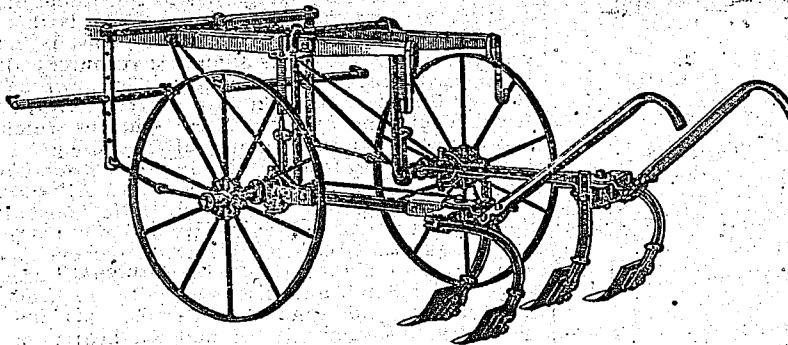
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OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

(SINGLE COPY
FIVE CENTS)

VOL. II.

WASHINGTON, D. C., FEBRUARY 22, 1890.

No. 23.

DESPOT, OR HERO?

The Speaker of the House of Representatives has pursued a course in the discharge of his official duties, that is such an innovation upon the established usages and customs of the presiding officer of that body, that a wide-spread sensation has resulted; it is the subject of discussion in all newspapers, and is a topic of universal interest. So much has been said and published that it is hard to review the principles involved without prejudice, and no doubt many of the readers will have to lay aside a certain amount of prejudice or hastily formed conclusions before they can properly digest an article reviewing the principles involved fairly, without favor to party, and in a manner consistent with true economic conclusions.

The Democrats and Democratic press have denounced Speaker Reed as a tyrant, and a despot whose methods were revolutionary, and article after article is filling the partisan press calculated to sustain, prove, and demonstrate this accusation until it seems to a Democrat like treason to the Democratic party to say a single word about the matter that is not denunciatory of Speaker Reed and his methods. On the other hand, the Republicans and Republican press have sustained him in his course, and with fully as much vigor and lengthy arguments held him up to the people as a hero, until it seems to a Republican like treason to the Republican party to say ought against Speaker Reed or his policy. The first step toward an unprejudiced consideration of the question is obtained by admitting the fact that if the position of the two parties had been reversed the burden of their song would also have been exchanged; that is to say, a Democratic House with a Democratic Speaker enforcing the same rulings and pursuing the same course would have been sustained by Democrats, and condemned by Republicans. It does not follow that either Democrats or Republicans are insincere in the position they take; on the contrary, their very devotion to party makes them honest, earnest and determined in advocating a position that, were conditions changed, they would oppose it, and would have no disposition to do so, but there is much more involved. This policy was inaugurated as a popular measure in behalf of the interests of the people calculated to break up filibustering, but the manner in which it was reserved to perform a purely partisan service and the time and cause in which it was sprung are suggestive of a reversal of the Cardinal Richelieu doctrine that "the end justifies the means," to read the "means justifies the end," for it was using an apparently laudable means to

justify doubtful ends. In the settlement of contested election cases there is no appeal from the decision of the House, and it was during the trial of a contested election case that the Speaker introduced the great innovation which gave the majority the power to seat their contestant by sheer force. This was a complete surprise to the opposition, and was unquestionably a wrong which neither the Speaker nor the Republican party can justify on principle or policy; it can only be justified by professional politicians as a means of partisan success. The Republican party cannot afford to say, seat a Republican contestant whether he was elected or not, simply because they have the power; it must say, we will preserve our free institutions and recognize the voice of the people as the supreme law, and consequently seat the man that is proven to have been elected regardless of party. Had Speaker Reed introduced his innovation upon the usages of the House when some question of legislation was pending, so that the question could have been tried on appeal, or had the new usage been incorporated in the rules of the House, then a majority could without criticism have seated the contestant.

There are imperfections and objections to the American system of politics which must be discussed and understood before they can be corrected. It is universally conceded that the supremacy of one party by a very large majority is fraught with evil, because the unlimited power of such party without the check of a watchful opposition allows abuses, extravagance and corruption to more readily creep into the Government. On the other hand, when there are two parties of nearly equal strength, a condition prevails in which, it has been taught for years, one party will be a check upon the other, and prevent any wrong or unjust legislation or practices. This condition has now been in force in the United States for several years, and it is found that it is attended with the greatest of evils. One of these evils is, that when there are two parties nearly equally divided a class or faction may organize and wield a balance of power which enables them to elect either candidate they choose; if they are mercenary, this places the reins of the Government at the disposal of capital. Another great evil is, that partisan conflict is so intense that the interests of the party are considered and treated as of more importance than the interests of the people. This principle creeps out in the rule of the caucus in Congress as shown in the ECONOMIST of February 1st, and is shown

in the rules of the House by which the rights of the minority have been protected. It is a perfect absurdity to claim that the interests of the people demand that the minority should have power to prevent the majority from enacting any wrong or unjust legislation; the interests of the people demand that all questions should be decided by the majority after a hasty consideration as is consistent with caution, conservatism and careful deliberation and discussion. It is only when the interest of party is paramount to everything else that it becomes necessary for the minority to possess power sufficient to hold the majority in check; this may be proved as follows: A minority never wishes to prevent the majority from passing an unwise or obnoxious measure; the minority delights to see a majority do that, because they think it will make the majority party unpopular with the people and increase the chances of the minority party to gain the supremacy. On the same principle the minority must obstruct and prevent the majority from passing any measures in the interest of the people that would tend to popularize such administration with the people, and thereby perpetuate such party in power. Therefore, this intense partisan zeal tends to sacrifice the best interests of the people on all occasions. The claim that a minority needs power to prevent the majority from passing bad measures is simply a cloak to cover a partisan scheme to invest the minority with power sufficient to prevent the majority from enacting wise and popular measures until the people become disgusted with the majority party and change to the other.

In the judgment of the Secretary, the time had arrived when Congress should exercise this authority.

On the question of the constitutional law, he said "if the Secretary has omitted the discussion of this constitutional power of Congress to put this plan into operation, it is because no argument is necessary to establish the proposition, that the power to regulate commerce and the value of coin includes the power to regulate the currency of the country, or the collateral proposition that the power to affect the end includes the power to adopt the necessary and expedient means."

This argument has never yet been answered, and never can be, by the advocates of a currency under corporate control.

He then set forth two schemes for the consideration of Congress. The first was a further issue of demand notes, and withdrawal of bank notes to make room for them, thus transferring the entire currency to the Government. The other was substantially the national banking system as ultimately adopted, which left the currency in the hands of corporations.

The first financial legislation of this session was a bill authorizing the Secretary of the Treasury to issue \$10,000,000 additional demand notes.

The second was the act of February 25, 1862, known as the legal-tender act. This act has been considered by all students of American finance as the most important bill regarding the payment of the 5-20 bonds.

Mr. Rafael A. Bayley, a recognized authority, in his "National Loans of the United States," says:

A FINANCIAL HISTORY.

COURSE AND EFFECT OF LEGISLATION SINCE 1861.

NO. 3.

Congress convened in regular session in December, 1861. Secretary Chase, in his report at that time, called attention to the fact that the circulation of bank notes constituted a loan from the public to the banks, without expense to them, and suggested the propriety of transferring this wholly or in part to the Government which represented the people. He said "it has been well questioned by the most eminent statesmen whether a currency of bank notes, issued by local institutions under State laws, is not, in fact, prohibited by the National Constitution. Such emissions certainly fall within the spirit, if not within the letter, of the constitutional prohibition of the emission of bills of credit by the States, and of making by them of anything except gold and silver coin a legal-tender in payment of debts. However this may be, it is too clear to be reasonably disputed, that Congress, under the constitutional power to lay taxes, to regulate commerce, and to regulate the value of coin, possesses ample authority to control the credit circulation which enters so largely into the transactions of commerce, and affects in so many ways the value of coin."

In the judgment of the Secretary, the time had arrived when Congress should exercise this authority.

On the question of the constitutional law, he said "if the Secretary has omitted the discussion of this constitutional power of Congress to put this plan into operation, it is because no argument is necessary to establish the proposition, that the power to regulate commerce and the value of coin includes the power to regulate the currency of the country, or the collateral proposition that the power to affect the end includes the power to adopt the necessary and expedient means."

This argument has never yet been answered, and never can be, by the advocates of a currency under corporate control.

Allow me to congratulate you on leading editorial in ECONOMIST of July 25, touching Senator Farwell's bill authorizing national banks to predicate corporation bonds in lieu of Government bonds for issue of currency. The point was timely and well taken, and your conclusion that it would be better to issue the money direct to the towns and cities is conclusive and unanswerable. If there is a single banker in the country who thinks he can meet the argument let him try it. Or if Senator Farwell, or any other Senator in Congress, thinks he can prove your conclusions incorrect, I would be pleased to see him try it. That argument will stand irrefutable against every future attempt of the national banks to obtain currency on State, municipal, or corporation bonds.

issued in 1861 are called demand notes.

This act created two kinds of money, and two kinds of Government creditors. Being compelled by the banks to abandon specie payments, Congress, instead of making paper money pure and simple, undertook very unwisely to keep its hold on coin as well. By paying coin interest and demanding coin for duties on imports it presented an opportunity for stock gambling that has never been equaled. Selling bonds for paper money, and paying interest in coin would naturally increase the rate of interest as the principal became depreciated. Bonds being exchangeable at par for paper money as paper depreciated, a given amount of gold would procure a larger amount of gold interest-bearing bonds. The unaccountable blunder contained in that bill has been the wonder and disgust of every person who has given the subject of finance even a moderate amount of study.

If to maintain the value of the bonds it was proper to pay coin interest at the present time, why was it not more important to make the principal payable in coin in the future? The excuse for all this jugglery was that the Treasury needed coin. This being true, why were not the bonds made payable in coin? Why did the Government promise paper in the future, and pay coin in the present? The absurdity of this act was only equaled by its injustice. It paid one class, the producers and soldiers, in paper, and another class, the lender, in coin. The same condition is met with to day only changed a little in its form.

Mr. Spaulding said in the debate on issuing the loan of February 25, "I can not see that the banker or the holder of Treasury notes is entitled to any preference over the soldier or citizen under these two laws of Congress, and yet if you concur in these hard money amendments of the Senate, you will compel the soldier to take the legal-tender Treasury notes in payment for his thirteen dollars per month which you agreed to pay him, while you pay the banker his high rate of interest semi-annually in gold and silver coin. Is this right? Will this be meting out just and equal laws to the loyal citizens of this Government? What will your army say to an agreement of this kind? Sir, I can not consent to such discrimination, no such amendment, no such injustice."

This bill provided that these bonds should be exempt from taxation, which was the beginning of an untaxed plutocracy in America. The provision for a sinking fund at that time when the Government was running in debt at a rapid rate was simply buncombe. No attention was paid to it by the Treasury Department, until it was found to furnish a technical ground for quibbling about the correct construction of the promises of Government regarding the payment of the 5-20 bonds.

Mr. Rafael A. Bayley, a recognized authority, in his "National Loans of the United States," says:

The so-called "five-twentieths of 1862" were issued under the authority granted by the act of February 25, 1862, (12 Statutes, 345), already referred to in the remarks on the legal-tender notes. The following is a copy of the second section of this act:

And be it further enacted, That to enable the Secretary of the Treasury to fund the treasury notes and floating debt of the United States, he is hereby authorized to issue, on the credit of the United States, coupon bonds, or registered bonds, to an amount not exceeding \$500,000,000, redeemable at the pleasure of the United States after five years, and payable twenty years from date, and bearing interest at the rate of six per cent per annum, payable semi-annually. And the bonds herein authorized shall be of such denominations, not less than \$50, as may be determined upon by the Secretary of the Treasury. And the Secretary of the Treasury may dispose of such bonds at any time, at the market value thereof, for the coin of the United States, or for any of the treasury notes that have been, or may hereafter be, issued under any former act of Congress, or for United States notes that may be issued under the provisions of this act; and all stocks, bonds, and other securities of the United States held by individuals, corporations, or associations, within the United States, shall be exempt from taxation by or under

State authority.

The action taken by the Secretary met with the approval of Congress, and the act of January 28, 1865 was passed, authorizing the further issue of bonds of this loan to an amount not exceeding \$4,000,000, and their sale in the United States or Europe at any time, on such terms as the Secretary of the Treasury deemed most advisable.

Under these acts, bonds were issued to the amount of \$514,771,600, bearing 6 per cent interest, redeemable at the pleasure of the United States after five years, and payable twenty years from date.

THE COST OF ELEVATORS.

A correspondent of the Rural World, E. W. K., writes from Higginsville, Mo., as follows:

It costs \$7,500 to build an elevator with a storage capacity of 50,000 bushels. Such an elevator

would elevate about 1,000 bushels per hour or clean 500 bushels per hour; of course the cleaning capacity can be easily made 1,000 bushels, the same as the elevating. The above includes an engine and everything complete, and by adding \$7,000 more the storage capacity can be readily increased 50,000 bushels, thus making the total capacity of storage 100,000 bushels, and at a total cost of \$14,500. The expense of operating such an elevator, if run on economical principles, should not exceed \$1,500 per annum, or say 1½ cents per bushel. This includes everything, even insurance, which need not be excessive. The profits of an elevator from one source are this: During the months of July and August (in this section, Central Missouri) two-thirds of the grain (wheat) is threshed from the field, or out of the shock, and brought directly to market. The consequence is that the grain being new and soft, it does not grade No. 2, thus losing from 4½ to 5 cents per bushel in grading, or whatever difference there is between Nos. 2 and 3, and sometimes even No. 4. Here is one source of profit that would be saved were the wheat stored in an elevator until at least this difference in the grade could be saved.

After ascertaining, by inquiry, that they could not be disposed of to capitalists, in amounts sufficient for prompt payment of the army and navy, and for the satisfaction of the just claims of public creditors generally, without serious loss, the Secretary determined to employ a general agent, under adequate bonds, and confide the whole work of distribution, except so far as it could be effected by the treasurer, assistant treasurers, and designated depositors, to him, and to sub-agents designated by him, and responsible immediately to him. Under this plan, and chiefly through indefatigable efforts of the general agent and his sub-agents, five-twenty bonds to the amount of nearly \$400,000,000, in denominations of \$50, \$100, \$500, and \$1,000, were distributed throughout the whole country not controlled by the rebellion, and among all classes of our countrymen. The history of the world may be searched in vain for a parallel case of popular financial support to a national government.

On closing the subscription books at the time appointed, it was found that \$11,000,000 over and above the amount asked for had already been subscribed, and the subscribers having complied with the regulations prescribed by the department, in its public notice inviting subscriptions, the secretary was obliged to ask for additional legislation to enable him to issue the required amount.

The act of March 3, 1864, authorized an additional issue of \$11,000,000 to persons who subscribed for this loan on or before the 21st day of January, 1864, the bonds so issued to have the same force and effect as if issued under the former act.

In March, 1863, it became necessary to transmit a considerable amount of funds to London, for a special purpose, for which an appropriation had been made by Congress, and it was thought advisable to deposit a certain amount of our securities with an eminent London banker, against which bills might be drawn. Five-twenty bonds, to the amount of \$10,000,000, were accordingly placed in the hands of two distinguished citizens, to whose care the negotiation was committed. The negotiation failed, and \$6,000,000 of the \$10,000,000 were returned to the treasury and disposed of. It was thought advisable that the amount of \$4,000,000 should remain, and that exchange should be drawn against it, and the bonds disposed of abroad, if a favorable market should be found. It appears, however, that very nearly this amount of issue is in excess of the \$511,000,000 authorized by existing laws, \$510,756,900 having been disposed of. The act of June 30, 1864, authorizes the secretary to dispose of "any bonds as five-twentieths remaining unsold." It is at least questionable whether, by this clause, power is conferred to dispose of an amount beyond that fixed by existing laws. Additional legislation may remove that

February 1, 1860.—Wheat, 49,691,000 bushels. Corn, 18,420,000 " Oats, 9,429,000 " Barley, 2,598,000 " Rye, 1,991,000 " 82,129,000 " In store on Pacific coast 7,565,000 "

Total 89,684,000 "

The total amount of wheat in store and afloat for the same time in the entire world was only 105,533,415 bushels. With this

data an approximate calculation can be made of the probable amount of grain that would be warehoused at any one time. If the present amount of grain in store, say 90,000,000 bushels, is increased to 270,000,000 bushels, or three times the amount actually in store, it probably would be an outside figure, for the number of bushels that would be required to warehouse at any one time, at least for the present. The cost of building good and sufficient warehouses to store this amount of grain at the estimate quoted above, 15 cents per bushel storage capacity, would be but \$40,500,000. The cotton crop of 1889 is given at 6,938,290 bales. The cost of building cotton warehouses is estimated at \$1 per bale storage capacity. If the whole crop is taken into the calculation it would amount to \$6,938,290, which would build those for tobacco also. If these figures are correct the entire cost of building the necessary warehouses for sub-treasury purposes would amount to only \$47,500,000 in round numbers.

Certainly \$50,000,000 would warehouse all the grain, cotton and tobacco contemplated in the sub-treasury plan, and likely to demand storage at any one period for some time to come. In this calculation the number of warehouses is not considered, but the whole amount to be stored is provided for. The expense of the undertaking can not be urged, therefore, as an objection. There is to-day in the United States treasury \$25,000,000 of minor coin, classed as unavailable assets, for the payment of any Government debt. THE NATIONAL ECONOMIST will take this sum and build half of these warehouses, and use no other kind of money. The mechanics of this country will not stand on the size of the coins, it is the amount that is doing the mischief. The above is a fair statement of the cost of the warehouses, and it is hoped that the friends of the sub-treasury plan will read it carefully.

SOME objections are made to the sub-treasury plan because it is assumed that an enormous expansion of currency would take place at certain seasons of the year, as in the fall and winter, when the larger portion of the crops are marketed. The correct answer to that objection is this: There must be at that time under any system an expansion of some kind of currency. Which is preferable, a currency that costs but 1 per cent per annum, or a credit currency in the form of checks, drafts, bills of lading, etc., that costs the producer at least 20 per cent per annum? As it now stands 2½ per cent of the business is done for cash that costs the owner nothing, and 97½ per cent is done with credit currency that costs many more times what those who handle it are aware of. The money set afloat by the sub-treasury plan will simply take the place of checks, drafts, etc., and will really be a contraction instead of an inflation. It can be obtained more easily, is much cheaper, and makes the farmer independent.

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THE REFORM PRESS.

The Discussion of Current Topics in the Organized States.

The Climax (Mo.) Advocate—good advice: If the farmers and laborers are to be skinned, it makes but little if any difference which of the political parties skin them. They are both running "cheek by jowl" with national banking associations. Hence, there is but one way out of their present dilemma, and that is to stand squarely upon their declaration of principles, and abolish this infernal system of legalized robbery. This byrdaheaded monster is the head and front of all the accursed combines that are to-day sapping the wealth of this nation. Kill the head, and the tail will surely die.

The Texas Farmer (Paris, Tex.) says:

The growth of monopolies is the main cause of the labor troubles. A monopoly, to quote the milk producers, fixes prices at both ends. It diminishes competition between employers for the services of workingmen and diminishes competition between sellers for the custom of the public. "The ultimate remedy lies with the people. When they choose to control their affairs men of honor and wisdom, and exercise the same care in choosing men for the public business that they do for caring for their private interests," some progress will be made. We ought not to forget that an injury to one is the concern of all.

Stephenville (Tex.) Headlight explains it exactly:

Form a stock company and buy 100 U. S. \$1,000 bonds. It is a good investment. Deposit them in the U. S. treasury, there can be no safer place. No taxes to pay on this \$100,000, but the interest is paid promptly when due. The Government will then lend you \$90,000 for a term of years without interest, which you can use for speculative purposes or to lend to others at any rate of interest you choose within the ability of your victims to pay. This is the best paying business we know of. It is called the national banking system, and the men who follow it get very wealthy. How very kind of the Government to do all this for the bankers. All this interest paid to the banks from both ways—from the Government on one side and the borrower on the other—is paid by the producers of the country.

The Co-operator (La Crescent, Minn.) says:

The farmers have some friends in the legislature of South Dakota, and on account of short crops and their being robbed by sharpers more than white men ever should bear, to further their interests and save a little of their all, recommend that the forcible collection of taxes be deferred until next fall, which makes the robbers howl terribly, probably fearing that this new and just act of trying to save the best and most useful class of these citizens from the ruthless grasp of the shysters, is but a starting point toward simple justice and common-sense laws to help those who need and deserve them.

"Old Fogey" says in the Progressive Farmer (Raleigh, N. C.); no one can misunderstand this:

A friend of ours interviewed for us one of our members in Congress in reference to the Alliance. The Congressman expressed himself freely as follows: The Alliance will not affect our parties in any way. The people have so long been accustomed to follow their parties that it is impossible for them to forget their old love. Let us crack the political whip and you will see them fall in line. Let the Democratic party cry "Nigger," and every one of the Alliance men will forget their signs and pass-words and vote for Jackson, as he has done for the last fifty years. Let the Republicans sing "Protection," and tell the negroes that they are in danger, and our party lines will be intact. It was suggested that the whites and negroes might work together; that the ranting demagogues who have done so much to keep the races apart might be set down, and that if confidence was restored that the two races would harmonize as they did during our last war, and that the darky might take his old master for his political adviser as he does for his business adviser—in short, that the solution of the negro problem was to be found in the Farmers' Alliance. It was admitted that this would be for the benefit of both races, and that their political interests were alike, and that the political hucksters North and South were the only ones to be benefited by keeping them apart. Now, brethren, this is the hope of all cross-road politicians. They expect to be able to vote you just as they please. They expect to crack the party whip over you, and in Democratic strongholds show you that you would

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be opposing the grand old party, and that to solicit negro votes would be a heinous crime. In Republican districts they will tell you we must oppose a solid South. "We must break it up; we must stick together or the Confederate brigadiers will capture the country. Our bloody shirt will have to be sold to the paper dealers and our occupations will be gone forever. The railroad men and their papers will give you taffy and try to induce you to stand up to your colors and party. And why? Simply because they have made a living off of you; they have gotten the boodle on the office and they want you to hold on to the old method. There are those who will tell you that the Alliances must not go into politics, but would be more glad if we would go into their politics. Brethren, for one, no politician, no member of Congress, or any one else shall lead me by the nose any longer. I shall vote for our interests, and the political hacks and henchmen can say just what they please.

The Kingman (Kas.) Weekly Journal gives words of cheer:

The bravest and best men of the old parties are breaking loose from the demagogues and politicians who have appealed to their prejudices in the past while they robbed their wives and little ones for the spoils of office. Daylight can now be seen in the distance, and shouts of victory to emancipated labor is faintly coming over the hills to be caught up and re-echoed from Maine to California, and from the great lakes to the Gulf. God hasten the day.

The Alliance Sentinel (Lansing, Mich.) gives the following, which is quite suggestive:

A Mr. Burrows, of Flint, bought \$93 worth of corn in Illinois, and when he paid his freight bills in Flint the railroads wanted \$173. Now, when the farmer discusses the transportation question, the railroad monopolist says: You old moccasin-back, what do you know about transportation? and advises him to discuss the tariff. He knows that 100 years of discussion on that won't help him a cent's worth.

The Chicago Express says:

It is not a debt, public or private, that we object to paying. It is a debt—doubled without our knowledge or consent by the creditor class—that we want to see restored to its original conditions of payment. Exactly the number of dollars and cents we owe, we are willing to pay, but they must be the same kind of dollars and cents that we borrowed, agreed to pay, and that our creditors loaned and agreed to pay back again. "A bargain is a bargain." Do you hear that, bankers and bondholders? You have told us that about a million times. Now take a dose of your own medicine, and don't fight it any longer.

The Chicago Sentinel has this to offer:

"Yes, 'political power' is being transferred to the hands of the masses"—and there used to be a theory, a few generations ago, that there is where it properly belongs. It is an old and rather homely idea, and is quite out of fashion nowadays, but should it ever prevail again in this country there may be "stormy times" ahead. However, it is a consolation to know that the ocean is wide, and that those who do not like the new order of things can easily cross over to the other side.

The Coffee County News (Elba, Ala.) makes the following statement, which proves President Harrison's remark about "universal prosperity among our people":

The mortgage business is fast increasing, and there will be more recorded at probate's office this season than last. How is this for good times? Look out for next fall. The cry is "Lord revive us," but we fear it will be in the fall, "Show pity, oh Lord, forgive us."

The Clark County Clipper (Ashland, Ark.) holds that with the more investigation comes the more knowledge:

As the Alliance proceeds with the prosecution of its business principles through the exchange it becomes very apparent how far-reaching and deep seated is this combine business. Take the buying of coal for instance. The business agent finds the retail dealers pooled, he goes to the wholesale dealers and they are likewise combined, when as a last resort he goes to the mines direct and here he finds the mines are owned and operated by a syndicate. In such cases there is much work to be done, but it can and will be done.

Marion County Farmers Alliance (Buena-Vista, Ga.). This is the kind of goods that wears:

The object and aim of the Farmers' Alliance and Industrial Union, according to our understanding, is higher and grander than is generally considered by the majority. Our guns are not loaded for small game. We see no justice in the action of our Government lending its aid to national banks and wealthy corporations, when the Kansas farmer is burning corn for fuel, while men, women and children are starving in the coal mines of Illinois and Pennsylvania. There is something radically wrong in this state of affairs, and we propose to ferret it out, even if it takes two winters and the best part of a summer. When a debating society meets and the question is up, "Does Farming Pay?" and the spread eagle orator on the affirmative side has brought all his eloquence and logic

Colman's Rural World says:

The bill now before Congress, authorizing the issue of paper fractional currency, ten, fifteen and twenty-five cent denominations, ought to become law. It is a measure demanded by public convenience and by the interests of the Government,

The postal note system is costly to the public, while the sending of postage stamps for money-in-less amounts than \$1 is such a nuisance that it restricts business that would otherwise be carried on through the postoffice. As the postmasters get more out of the postal note than the Government receives, the situation of the small paper money will effect a saving to the treasury, aside from the gain from fractional currency lost or destroyed.

Rural Home (Toisnot, N. C.). Right you are:

Farmers, workingmen, and other classes who wish to see reform in our Government, fall into line with us, and help to carry out one of our leading principles, "Peace on earth and good will to men." Fall into line—listen to the call of duty—the reveille is sounding—be ready for action. Already the bondholders and the syndicates and trusts of England and America with their hired slaves, have put on the war paint, and now stand strongly entrenched behind the Government at Washington. They defy us and dare us to the conflict.

Texas Farm and Ranch (Dallas, Tex.) says:

It is a pleasant American fiction that "we, the people," govern the "country, and not the few thousand lawyers and business men, who incidentally adopt the profession of politics for spoils. The lawyers seem to be content with things as they are, for they reap where others sow; and the boards of trade do not complain of oppression, for they winnow the grain and leave the chaff to the producers. It is the farmers, principally, that burden the air with murmurs at the results of their own governmental labors. They should learn to do their work better.

Pacific Rural Press (San Francisco, Cal.) says:

Farmers of California, will you wait, as usual, until it is too late, before you resist being bound hand and foot by the combination of professional partisan politicians, saloon-keepers and party strikers, who have regularly done the nominating of candidates in this State, and left you and other voters the choice between two evils at the polls, or do the privilege of staying at home on election day?

Faulkner County Wheel (Conway, Ark.) says:

The two colored farmers' Alliances, North and South, have consolidated under one banner, and will henceforth be known as the Colored Farmers National Alliance and Co-operative Union. They have something over a million members in the consolidated order.

The Legal Tender Greenback (Bloomfield, Ia.) says:

Be not deceived, friends, because in all the small burghs there is a class of money loaners who are getting comfortably well off through usurious interest, that is simply a tax on the productive power of the community and gives no just equivalent for the same. These money lenders are merely little sharks, who are in the same line of trade as the big ones who rule Wall street, and through Wall street the monetary affairs of this nation.

Mills' Weekly World (Altamont, Kas.)—good:

It makes a person of sense sick to see the lofty officials putting on style and quarreling about which one of their women shall suck the fore-papilla and be the first at their parties and hoe-downs. Some of these fellows went into office worth \$5,000, and now they are worth \$5,000,000; and every nickel of it took food and bread from the poor, and now they hold boodle untaxed perhaps. Perhaps it will be polite in us to say as few cuss words as we can against those in authority, so we leave it to the people who put them in office whether it is to their interest to elect such men.

The Farmers Voice (Chicago, Ill.)—good:

In Cowley county, Kan., the bankers and usurpers have approached prominent, influential Alliance men and asked them to use their influence with the order to send agents to Castle Garden, N. Y., where Europe dumps their garbage, to assist in bringing that slum to tenant these stolen farms. One banker goes so far as to say that he is in favor of repealing the prohibition acts, as these fellows will not do without their beverage, and as he has had business acquaintance with them he prefers them to Americans to bank with.

The Union Banner (Cush Hill, Mo.) says:

General prosperity is raging. For further particulars inquire of the farmers, the mechanics, the merchants and the laborers.

The Labor Review (Gladbrook, Ia.)—this is an outrage, and should be investigated:

Our old time friend, A. C. Brockway, of Fifteen-mile Grove Alliance, has tried the shipping of

grain in car lots, direct to Boston, Mass. His car was billed through to the hub, but that did not hinder the Chicago gang from levying their customary tribute. They seized his car in transit, unloaded it, graded it and collected their toll, all of which was deducted from the proceeds of sale at Boston. We fail to understand what right the railroad company had in allowing such a transaction to take place after they had given him a through bill of lading for his grain. We hope friend B. will appeal to the Interstate Railroad Commission for a decision in regard to this matter.

Hon. W. E. Farmer, of Mineola, Texas, has been interviewed by a reporter of the Houston Post, and gives to the public a true statement of what's the matter. The following is extracted:

Taking the statement of Bradstreet and other statisticians of recognized authority, it is evident that the merchants are mere collecting agents in the hands of the combinations, pools and trusts. We have seen that a scarcity of money increases its purchasing power, and that labor's product brings less than a sufficient amount to properly compensate the labor required in production, and as a consequence, debt must increase and the authority I have before used, places the total debt of the people of the United States at not less than \$35,000,000. This with a population of 60,000,000 people would place a debt of \$2,725 on the head of each family of five persons, and it drawing interest at the rate of 8 per cent. will show in part the evils of scarce money. This scarcity compels not only individuals, but municipalities to go further into debt and procure money at any rate of interest, and, as a consequence, our cities are bonded for all the law will allow, and the money sharks are, through interest and taxation, sapping the life's blood from the taxpayers, and with cheap products and a consequent greater amount of them being required to pay these obligations, the merchant is also affected. I need hardly say that the interest on the operating capital and debt of nearly all of our merchants, and the losses which these same conditions entail, have not been considered, but are factors in their business which leave no margin when a balance is struck.

The Macon (Mo.) Times says:

In his report on the administration of immigrant matters at Castle Garden, Solicitor Hepburn of the National Treasury says: "We have very many most undesirable immigrants; many from the more easterly nations of Europe are so besotted, ignorant and degraded that they are but little, if any, better than the Digger Indians of the far West. Yet every one of those men that come here, if he escapes our jails and our poor houses, takes the place at some price of some one of our own people in the labor fields."

The Non-Conformist (Winfield, Kan.) contains the following:

A story is actually being circulated reflecting severely upon one of the Kansas Representatives in Congress. That when asked to introduce a two per cent. refunding bond measure for the perpetuation of national banks he declined, saying that he hadn't much financial sense, but he had learned that what was to the interest of the banks was not to the interest of the farmers. Possible? "Ho Hagon."

The Selma (Ala.) Mirror is right in the following statements:

Labor, first of all, should be fairly compensated. Labor should live upon the fat of the land. What, a poor, humble produce live on the best? Yes, he has the first and paramount right to the products of his labor. But, says some one, labor gets all it deserves. We know better. Let us consider this subject. Just look at both country and city. We find men on our roads and streets without visible means of support. Hundreds are thrust into prison only to come out with greater enmity to the rest of mankind.

The Weekly Crisis (Chillicothe, Mo.) says:

The dispatches inform us that the Virginia legislature passed a resolution requesting Congress to provide for the loaning of money to the people at 2 per cent. This is the first gun that has been fired by a legislative body for government loans. Let other legislatures act. More money is the great need. To save the people from bankruptcy it must be put in circulation immediately, and the only way to do this is to loan it to the people.

The Arkansas Economist (Searcy, Ark.) says truly:

Abolish land monopoly, inflate the currency and control transportation are the political ends sought by the several united industrial organizations of the country. All other demands are but subordinate, and closely related to one of these economic principles. The effort to abolish the banking system is only one of the means for the inflation of the currency and its control by the proper authority.

The Anthony (Kan.) Republican says:

Petitions have been circulated throughout the State asking the railroads to make an "emergency rate" on grain. With the Government owning and operating the railroads of the country there would be no need of begging for emergency rates—the regular rates would be so low that even a railroad emergency rate would be a mountain in comparison. If the Farmers' Alliance of the country will move in a solid column on Congress in favor of the Government buying up and operating the railroads, it will accomplish much more for struggling humanity than by begging the railroad millionaires for crumbs. When they allow Jim Crow newspapers to induce them to petition and beg for what, in justice, they have a right to demand, they humiliate themselves in the extreme. The country does not want an emergency rate—it wants perpetual relief.

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.

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THE PREMIUM ON THE BONDS.

The Law and the Argument in Congress
by Mr. Plumb.

In 1867 the first issue of the 6 per cent bonds known as the "five-twenties" became redeemable at the pleasure of the Government. The question of refunding them with other issues at a lower rate of interest brought out the question of the kind of currency in which payment would be made. In fact the bondholders had been agitating this subject for some time, especially since peace had been declared between the States. These bonds were all payable in lawful money, which at that time consisted of greenbacks, silver, and gold. The banks and bondholders had conspired to prevent any further loans unless these bonds were declared payable in coin. This was the situation when Congress met in December, 1868. President Johnson was no friend of the bondholder, and entertained very strong ideas upon the manner in which the Government had been treated by them. Yet he continued to allow his Secretary of the Treasury to enforce and endorse the most arbitrary methods of finance known to the history of this country. In his message to Congress December 9, 1868, President Johnson said:

In my message to Congress, December 4, 1865, it was suggested that a policy should be devised which, without being oppressive to the people, would at once begin a reduction of the public debt. The fruits of their labors should be enjoyed by our citizens rather than used to build up and sustain moneyed monopolies in our own and other lands. This debt it permitted to become permanent and increasing must eventually be gathered into the hands of a few, and enable them to exert a dangerous and controlling power in the affairs of government—the borrowers would become the servants of the lenders; the lenders the masters of the people. We now pride ourselves upon having given freedom to four millions of the colored race. It will then be our shame that forty millions of people, by their own toleration of usurpation and profligacy, have suffered themselves to be enslaved, and merely exchanged slave owners for new task masters in the shape of bondholders and tax gatherers. The general impression of the exorbitancy of the existing rate of interest has led to an inquiry in the public mind respecting the consideration which the Government has actually received for its bonds, and the conclusion is becoming prevalent that the amount which it obtained was in real money three or four hundred per cent less than the obligations which it issued in return.

It can not be denied that we are paying an extravagant percentage for the use of the money borrowed, which was paper currency, greatly depreciated below the value of coin. This fact is made apparent when we consider that bondholders received from the Treasury upon each dollar they own in Government securities 6 per cent in gold, which is nearly or quite equal to 9 per cent in currency; that the bonds are then converted into capital for the national banks, upon which these institutions issue their circulation, bearing 6 per cent interest, and that they are exempt from taxation by the Government and the States, and thereby enhanced 2 per cent in the hands of the holders. We thus have an aggregate of 17 per cent which may be received upon each dollar by the owners of Government securities.

A system that produces such results is justly regarded as favoring a few at the expense of the many, and has led to the further inquiry whether our bondholders, in view of the large profits which they have enjoyed, would themselves be averse to a settlement of our indebtedness upon a plan which would yield a fair remuneration, and at the same time be just to the tax-payers of the nation. Our national credit should be sacredly observed; but in making provision for our creditors we should not forget what is due to the masses of the people. It may be assumed that the holders of

our securities have already received upon their bonds a larger amount than their original investment measured by gold standard. Upon this statement of facts it would seem but just and equitable that the 6 per cent interest now paid by the Government should be applied to the reduction of the principal in semi-annual installments, which in sixteen years and eight months would liquidate the whole debt. Six per cent in gold would at present rates be equal to 9 per cent in currency, and equivalent to the payment of the debt one and a half times in a fraction less than seventeen years.

This in connection with all the other advantages derived from their investments would afford to the public creditors a fair and liberal compensation for the use of their capital, and with this they should be satisfied. The lessons of the past admonish the lender that it is not well to be over anxious in exacting from the borrower rigid compliance with the letter of the bond.

This message brought out the cry of repudiation, which, beginning with Wall street, gradually extended throughout the country. The unscrupulous manipulators of the national finances succeeded in making the people believe that national pride and honor were involved in this matter, and, under cover of this appeal to a false patriotism, secured the passage of what is now known as the "Public Credit Strengthening Act." Previous to the passage of this act the entire debt, excepting the ten forties, of the United States was payable in lawful money, which at that time consisted of gold, silver and paper money. When this act became a law the entire public debt was payable in coin, and not a single dollar of coin was at that time in circulation except at a premium.

These bonds had all been purchased with greenbacks at par, and cost on the average about 54 cents on the dollar, reckoned in coin. Of course this bill gave them the difference between what was paid and the stipulated 100 cents in coin, or, from careful calculation, \$484,141,180 as profits. The act reads as follows:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, 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 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, as a few passages of the debate on that question will disclose. Senator Doolittle asked Senator Sherman—

How can you fund the 5-20 bonds, bearing 6 per cent interest, into a bond bearing a lower rate of interest after the Congress of the United States in a public act expressly pledges the faith of the Government to pay the 5-20 bonds, principal and interest, in gold at 6 per cent?

Approved March 16, 1869.

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 the 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 that time in circulation except at a premium.

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bonds could be paid off. Why, sir, when the bonds of England rose to 103 per cent, 3 per cent above par, in gold, then it was that they reduced the rate of interest 1 per cent by putting out a bond at a lower rate of interest.

Again,

replied to Senator Morton, Mr.

Sherman concluded by saying:

I do assert, as a question of public policy, that it is wise for us now to declare in the language of this bill that the bonds and greenbacks shall alike be paid in gold as rapidly as we can do so, that these bonds and these greenbacks shall be linked together in every law that is passed, that every privilege that is given to the bondholder shall be given to the holder of the greenback, that both shall rise to the par of gold, when the bondholder

may be paid off by bonds paying a lower rate of interest, and with a large saving of interest to the people of the United States in that most oppressive form of our expenditures.

General Schenck said, in explanation of a conference report:

The Senate had also struck out the following proviso as it passed the House: "Provided, however, That before any of said interest bearing obligations not already due shall mature or be paid before maturity, the obligations not bearing interest and known as United States notes shall be made convertible into coin at the option of the holder."

Mr. Schenck declared that

The Senate would not agree to anything to take the place of that proviso, but it was finally agreed by the committee of conference to insert in the place of the proviso stricken out the following: "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," that is—

Explained General Schenck—

the bonds of the United States are not to be paid before maturity, while note-holders are to be kept without their redemption, unless the note-holders are able at the same time to convert their notes into coin. But inasmuch as this might raise the price of bonds to a higher figure and be for the benefit of the bondholders, then they proceed to put in further language so as to keep the bonds from going up out of proportion to greenbacks by providing that if the bonds went above par in gold then they might be paid off, because it was supposed we could then sell bonds at a lower rate of interest. They put in these further words, "unless at such time bonds bearing a lower rate of interest than bonds to be redeemed can be sold at par in coin."

Hon. Ralph Plumb, in his able speech upon this subject, said:

Is it possible to make clearer the fact that this act had in it two purposes—one in the interest of the bondholder, the other in the interest of the tax-payer? To the former it was a sure increase in the value of their bonds amounting to hundreds of millions of dollars; to the latter the promised relief in the future from taxation by a reduction of interest whenever the bonds came to be above par in coin. This guarantee to the tax-payer was not willingly conceded by the Senate, but, being insisted upon by the House, was inserted in the conference report, and because it was so inserted

Mr. Stevens gave the measure his support. I repeat, Mr. Chairman, the concession to the tax-payer was this: Whenever bonds could be sold at par, bearing a lower rate of interest than bonds to be redeemed, then the outstanding bonds were redeemable. That, sir, was the law then; it is the law now, as I shall proceed to show.

This act was first approved, as has been already stated, March 1, 1869.

It was incorporated into the Revised Statutes with very few changes, and on the 22d of June, 1874, by enactment of Congress, made one of the statutes of the United States, general and permanent in its nature, and as such it was clothed with all the binding force that could possibly attach to it had it been voted upon in a separate bill and duly signed by the officers of the two Houses of Congress and approved by the President. In support of this view I cite the following authorities:

In the case of the United States, Bowen (100

United States Reports, page 513); Justice Miller,

in delivering the opinion of the court, said:

"The Revised Statutes must be treated as the legislative declaration of the statute law on the subjects which they embraced on the 1st day of December, 1873. When the meaning is plain the

courts can not look to the statutes which have

been revised to see if Congress erred in that revision, but may do so when necessary to construe doubtful language in expressing the meaning of Congress."

In the light of these facts and of this decision we are prepared to examine Title XLII of the Revised Statutes, which relates to the public debt. A careful reading of this entire title, containing sixteen sections, will show that it was intended to be, and is, a compilation from the various acts which had been passed from time to time prior to 1873 on all matters relating to the public debt.

If there be a doubt in the mind of any one as to this intention, it must be removed by section 5595 of the Revised Statutes, which declares:

"The foregoing seventy-three titles embrace the statutes of the United States, general and permanent in their nature, in force on the 1st day of December, 1873, as revised and consolidated by commissioners appointed under an act of Congress, and the same shall be designated and cited as the Revised Statutes of the United States."

Remember, the repealing statute declares "that all acts of Congress passed prior to December 1, 1873, any portion of which is embraced in any section of said revision, are hereby repealed and the section applicable thereto shall be in force in lieu thereof."

Now, an examination will show that sections 3695, 3696, 3697, and 3701 re-enacted several sections of the refunding act. For instance, section 6 of the refunding act contains a provision for the cancellation of bonds which have been purchased, and is re-enacted in section 3697. Section 6 of the refunding act also has in its provisions relating to the sinking fund and the cancellation and destruction of the bonds purchased, which are re-enacted in section 3695 of the Revised Statutes, Can there be a question but that the several portions of the refunding act are embraced in the Revised Statutes? And if, in the language of the law, the enactment of any portion works a repeal, can there be any doubt but that the enactment of these several portions works a repeal? And is it not true that the sections applicable thereto are in force in lieu of the repealed sections? It should be borne in mind that the revision took effect some three years after the funding act was passed, and more than four years before a 4 per cent bond had been issued and before a 4 1/4 per cent had been sold. Now, if there remains a question as to the fact of the statutory repeal of the refunding act, it may be further insisted that, as a general principle of law, the latter act repeals by necessary implication the former. In the case of the United States vs. Tyman (11 Wall., 88), the court

said: "What is said of promises made by the Secretary of the Treasury or his agents—that bonds would be redeemed in specie is so far absurd that no respectable lawyer would venture to urge it in a court of justice. The act of Congress, which was the Secretary's power of attorney, was in the hands of the capitalists, and his counsel was bound to know what the law was."

So in the case we are considering. If the bondholder, in defiance of these well-settled propositions, decided to risk his chances for a premium on the mere insertion in the bond of statements not authorized by the law, he did so at his peril, and no principle of law or equity will justify us in insisting that the tax-payer is bound to make good his mistake.

There has already been over \$38,000,000 paid out as premiums on bonds already purchased. If this rate is continued there is \$200,000,000 more to be taxed from the producers and paid to the holders of these bonds.

Can any reasonable person, after reading the above, say that it is right to continue to pay this premium on our bonds? This matter has been fairly and candidly placed before the people; it remains now for them to investigate and decide. The position taken in this article is strong and has never been attacked.

In the act of 1869 the text reads, "but none of said interest bearing obligations, etc., referring, no doubt, to bonds then outstanding, whereas in the Revised Statutes Congress has been careful to strike out 'said' and insert 'the,' so that it reads 'none of the interest bearing obligations,' etc., which must refer to all such as were issued, or to be issued under any law that had been or might be passed by Congress."

Mr. Chairman, the facts to which I have referred point to the necessity and propriety of guarding well the interests of the great body of the people upon whom the burden of taxation must necessarily rest. If they are to love, cherish and defend the Government that is over them, it will be because their rights and their interests are not neglected, and because the scales of justice are evened between the high and the low, the rich and the poor, the capitalist and the laborer. The people of this country are not anarchists, and they will never become such if equity prevails in the administration of public affairs. It can not be denied that upon every principle of rights as between the tax-payer and the bondholder, the former is entitled to the saving which can be secured to him by such legislation as now fairly lies in our power to adopt. To be sure, the bondholder will lose his expected premium, but did the Gov-

ernment promise him a premium? No. The Government promised the principal of the bond with interest, and that is precisely what the Government will pay in any event. Is there the shadow of repudiation in such a fulfillment of the promise of the Government? Is it equitable to insist that the tax-payer shall lose over two hundred millions, which the enhanced credit of the Government enables us to save? I think not.

That enormous premium, it is conceded, will fade away whenever the 4 per cents are either re-deemed or refunded; but has the bondholding class earned the right to have this premium continued to them at the expense of the tax-payer? Is it the duty of the Government to withhold such action now as will put an end to such injustice?

The foregoing examination will show that the statutes of the United States, general and permanent in their nature, in force on the 1st day of December, 1873, as revised and consolidated by commissioners appointed under an act of Congress, and the same shall be designated and cited as the Revised Statutes of the United States."

JOHN STUART MILL says: "The labor which terminates in the production of an article fitted for some human use, is either employed directly about the thing, or in previous operations destined to facilitate, perhaps essential to the possibility of, the subsequent ones."

THE NATIONAL ECONOMIST.

The National Economist

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THE PRICE OF COTTON.

As predicted by THE ECONOMIST, the price of cotton has again risen, and quotations are now at the highest point of the current crop year. When the staple was held firmly by the producers during the early months there was a strong pressure exerted by Wall and Lombard streets, with the evident intention of hastening collections in the South and forcing cotton to market at less than its commercial value. The raid was so far successful that the producers lost some millions of dollars, and the complete accomplishment of its purpose was prevented only by that fellow-feeling among the speculative interests which is commonly recognized as "honor among—." Just how far the price of cotton might have been forced down is impossible to estimate, but had the weaker longs been able to withstand the pressure there is reason to believe that cotton would have been sold at a price corresponding to that of wheat, and the Southern farmers would have lost by depreciation of their industry more than the vast sum represented by the price of the year's crop, just as the Western farmers have seen themselves become poorer by more than the value of their year's product.

operations. In all transactions investment is recognized as bringing a legitimate return. In the case of a farmer producing more than what may be estimated as fair wages for labor and necessary expenses, that excess is profit. If it be \$100, at 5 per cent it would place a value of \$2,000 upon his investment, and a like ratio would legitimately fix the value of his estate, if we accept 5 per cent as legitimate profit. It then becomes a matter of simple arithmetic to tell just how much a farmer has lost by depreciation when there is a decline of 1 cent in the price of cotton. If raising ten bales of cotton he would lose \$50 on the selling price of his cotton, but his unseen loss by depreciation of his farm would be \$1,000. If he have no means of recouping by wrong to his labor, this loss is permanent in any permanent decline in prices.

When early in the season the American firm representing the English bankers gave notice that they had been drawn on for \$3,000,000 gold, it was noticed that the price of cotton (just then coming to market, and the natural tendency of which was to make the flow of gold toward, and not from, America) was higher than England would pay, and therefore exportation must cease. No man familiar with the condition of trade but knew such an assumption to be false, but Wall street joined Lombard street, and if the condition temporarily imposed had been made permanent the cotton producers would have lost not only the \$60,000,000 implied in a 2-cent decline in cotton, affecting only 6,000,000 bales, but \$1,200,000,000 in actual depreciation of their estates.

The manipulation of the volume of currency is the means by which such wrongs to producers are made possible. By calling in loans on which farming operations are based at critical times, it is in the power of syndicates controlling the mortgages and liens against farmers to effect just such corners in the money market. Whenever the discounts at banks are increased there is at once a congestion in the circulation, and those who have purposely produced it profit thereby. Just as the cotton raisers have suffered this year, they suffer every year. The fact that they are beginning to understand the method of the wrong promises relief.

The statistical position of cotton is better than for several years, and despite adverse manipulation, those who have held their crop are promised a fair price.

INSUFFICIENT FOOD.

The writer has been asked to state some of the diseases liable to be produced by insufficient food. A correct reply would be, that an underfed person has less resisting power than a well-fed person, and that any and all diseases are more liable to attack and more apt to kill the underfed. There is no specific disease produced by hunger or by want, but there is no known disease of which it may not be the indirect cause. The case is thus stated by Wilson in his hand-book of hygiene: "Only those who have threaded the dingy streets and dirty

courts of our large towns can form any adequate conception of the wide-spread suffering and disease which follow in the wake of actual want. Clothing and fuel even scantier than the food; over-crowding with all its attendant evils; sanitary arrangements of the worst description; rickety floors and reeking walls, all contribute to the heavy load of misery which the destitute have to bear. The history of relapsing fever is a history of the ravages of disease arising from destitution. There is no doubt too that the large mortality among infants and young children is in great measure due to insufficient food, and crowds at all ages fall victims to disease from sheer want." Nothing truer than the foregoing was ever written. The public are wholly unsuspecting of the actual truth as regards the number of persons suffering and dying from the effects of malnutrition and inattention due to lack of a sufficiency of wholesome food. It is this which makes the writer so resentful of the argument that there is an over-production of food supply by those responsible for the inability of the nation to consume its normal ration, a condition of things brought about by money mongers through the acts of legislators, some of whom they have deceived and misled, some of whom they have directly or indirectly bribed and corrupted. The taxes are greater than the people can pay and live; the revenue is greater by vast sums than the Government can use or disburse, and the volume of currency is so reduced that business is brought almost to a standstill around the world. Therefore, as has been said, in a land filled with elevators bursting with grain, and a treasury bursting with surplus funds, crowds sicken and die for lack of food. The surplus of food, like the surplus of money, is accumulated by speculators wallowing in a pool of wealth, but the people lack bread to eat. We are told and expected to believe that there is plenty of money in the hands of the people; that there is a great unsaleable surplus of food in their barns and larders; that there is prosperity everywhere and among all ranks. Have these men blinded by partisanship deceived themselves, or do they seek to deceive the people with lies? Do they not know to what extent the currency is contracted? Do they not know that while there is a great surplus, which is the coefficient of cruel and tyrannical taxation, and while there are bonds in the national banks, the debtor class, which constitutes an enormous majority of the people, are wholly unable to improve their condition or even to meet taxes and interest and have enough to eat? Do they not know that the over-production they talk about means that the speculators in human food have got a surplus on their hands in the elevators while the people have no bread? If they do not know these things they have no business to assume to act and speak for the people. If they do know, then they have sought and are seeking to deceive the people with a hideous lie. More money and less taxes is the logic of the situation.

To decide how much money is needed by a nation, we must first determine the quality of work which money has to do. This will be proportional to the number of the population; twice the number of people, if equally active in trade and performing it in the same way, will clearly want twice as much money. It will be proportional, again, to the activity of industry, and to the complexity of its organization. The more goods are bought and sold, and the more often they pass from hand to hand, the more currency will be needed to move them. It will be proportional, again, to the prices of goods; and if gold falls in value, and prices are raised, more money will be needed to pay the debts increased in nominal amount. Few of the qualities concerned in such considerations are known. We know the number of the population approximately, and the amount of foreign trade, but the quantities of goods bought and sold in inland trade are almost entirely unknown.

FOR fear the farmers may forget, it might be well to state that there is now in the United States Treasury, held as unavailable for the reduction of the public debt, the following items:

To redeem greenbacks.....	\$100,000,000
Deposited with national banks.....	47,000,000
Deposited with disbursing officers.....	39,000,000
Post-Office account.....	2,000,000
Minor silver coin.....	25,000,000
	\$213,000,000

There is a law forbidding the retirement of the greenbacks. The banks pay no interest on this deposit. The disbursing officers loan this money to whom they choose. The post-office account is a sham, and the \$25,000,000 of silver halves, quarters, and dimes is not considered good enough to pay national dues with. When writing to Senators or Congressmen enclose this statement, and ask why this money is not sent out among the people where it belongs? It may do some good.

SOME interest has been manifested in the recent statement that the Illinois agricultural report shows the corn crop of 1889 in this State to have cost nearly \$10,000,000 more than its total estimated value, which is placed at \$58,337,049, and the total cost of production at \$68,273,872. The items entering into the cost of production are: Use of land, ploughing, harrowing, laying off, planting, seedling, tending, gathering, cutting, shelling, and marketing.

The above is printed as an item of news,

with the comment that measures are being taken to ascertain if there is not some mistake in getting this data. A much better plan would be to ascertain why \$325,000,000 of mortgage indebtedness is held on the real estate property in that State. During the investigation the fact would no doubt be disclosed that many other farm products were also unremunerative. It might show that labor in nearly all lines of production brought no reward.

THE communication from A. Barnwell, of Macon, Ga., is most timely. There should be some action looking to a final settlement of this matter of tare and bagging. At the St. Louis meeting representatives from both

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the jute and cotton bagging manufacturers were present. The cotton men received preference. They should be spurred up to fulfill the contract implied by their statements at that time.

At the present writing it looks as though "the best banking system the world ever saw" had forgotten something when it lets one man burst up three national banks, as it did in New York one day last week. The loss was only \$750,000, which in these millionaire times don't count for much. Such little incidents, however, will hardly pass as commending the continuance of an institution that has already cost the producers more than \$5,000,000,000. It is very indiscreet to have them occur just now, when other matters are coming forward to make a bother.

The Virginia Exchange.

The committee appointed by the State Alliance to formulate a plan for an Exchange, met at Richmond, Va., January 21, 1890.

The following members were present: Maj. Mann Page, chairman; Maj. Geo. Christian, Rockingham; T. V. Allen, Mecklenburg; Capt. R. C. Williams, Smythe; Julian M. Ruffin, Hanover; A. R. Venable, Jr., vice R. T. Barnes.

After a full and careful examination of the plans of Exchange of the States of North and South Carolina and Georgia, the committee considered them too cumbersome and expensive for our people, requiring the minimum of \$50,000 to put them into operation. Therefore we recommend a State Exchange on the following plan:

1. That each sub-Alliance be required to contribute quarterly to a sum equal to ten cents for every male member, said amount to be collected and forwarded by the Secretary of the sub-Alliance to the Secretary of the State Alliance, to be paid by him to the Treasurer of the State Alliance, to be held as a special fund to defray the necessary expenses of the Exchange, and the same shall be paid out as the Executive Committee may direct.

2. That said Exchange shall be managed and controlled by the Executive Committee of the State Alliance, which shall be composed of five members.

3. That it shall be the duty of the Executive Committee to elect a competent business agent for the exchange, locate his place of business, prescribe such rules as are necessary to carry out the operations of the exchange, fix his salary, and defray all the expenses of said exchange out of the funds raised for this purpose.

4. That said Executive Committee shall require a satisfactorily indorsed bond by a guarantee company of said business agent for the faithful performance of his duties, and full security for all funds, produce and commodities in his hands, and also for the protection of both buyer and seller and all purchases made by him.

5. That said agent, may be removed for cause at any time by the executive committee.

6. That no sub-alliance shall be entitled to the privileges of this business exchange until their quarterly dues shall have been paid to exchange fund, and all orders must come under seal of sub and county alliance.

7. That it shall be the duty of the State secretary promptly to inform the business agent of the payment of dues by each sub-alliance to this fund.

RAILWAYS;**Their Uses and Abuses,**

AND THEIR EFFECT UPON REPUBLICAN INSTITUTIONS AND PRODUCTIVE INDUSTRIES.

BY JAS. F. HUDSON.

Author of "The Railways and the Republic."

No. 43.

Misleading pleas on behalf of the combination policy have been no less prominent in the advocacy of industrial and trade combinations than those which have just been reviewed in the preceding article, advanced by the advocates of railroad combinations. Indeed, the effort to confuse and cloud the purposes of business trusts must be regarded as more deliberate and insincere on the part of its advocates than those which have been advanced in favor of railroad pools. The latter class have the excuse that the force of competition has, in many instances, reduced their combinations solely to the discharge of the pretended function, simply because they are unable to attain their main purpose of preventing competition, while, with regard to the business trusts, the allegations of improved methods, of increased capital for carrying on larger operations, and the somewhat impudent assertion that these combinations actually reduce prices, can, after an examination of the subject, only be regarded as deliberate attempts to falsify and deceive the public.

Among the advocates of the policy of combination among industrial interests Mr. S. C. T. Dodd is made most prominent by his position as the solicitor of the Standard Oil trust, by his ability as a lawyer, and by his industry in producing arguments calculated to impress the public in favor of the policy of combination which has attained under his tutelage the perfection of organization under the device of trusts. We shall hope to be able in future articles to pay considerable attention to Mr. Dodd's arguments with regard to the result of the trusts, his statements as to their career, and his multiplicity of reasons why they should be regarded with affection and confidence rather than with distrust and enmity by the public. It will be sufficient at present to examine his statement of their purpose to perceive its similarity to the statements heretofore considered of the advocates of railway combinations, and to reach a clear judgment of the correctness of untruth of the presentation which he makes of the object and purpose of the industrial combination which he especially represents.

Mr. Dodd usually founds his argument upon a somewhat elaborate and detailed assertion of truisms. Thus, in his "Defense of Trusts," published in a New York paper only a few days ago, he commences his discussion of the subject with the assertion that "trusts, like all other business combinations, whether partnerships, associations or corporations, are evil if organized and conducted for evil purposes, and beneficial if organized

and conducted for legitimate purposes." Certainly. It has been conceded in the preceding article that there are a large number of purposes for which business combinations can be resorted to with benefit to the public. And in order to fully understand and prevent misconception of the subject under discussion, it is also necessary to recognize the fact that the legal device of a trust, or the placing of money and property in the hands of trustees to be held and used for certain specified purposes, may be of the most legitimate character. Every endowment for charity, every foundation for educational purposes, is by the necessity of the case a legitimate and beneficial trust. The character of the combination must be judged by its purpose and effect. But it is to be remembered that the purpose and effect must be determined, not necessarily by the allegations of those who are engaged in organizing it, but by the purpose and object which the form of the organization shows that it is calculated to produce. It is one of the prominent features of the trust with which Mr. Dodd is prominently connected that it alleges no purpose whatever for placing in the hands of certain trustees the vast properties and industrial forces which are concentrated under a single control. Yet if its organization is such as to concentrate all of the competing establishments in a specified line of industry under a single control, the conclusion is evident that its real purpose is to prevent competition in that line of industry. Beyond that it would be easy for such a trust to allege the most philanthropic and charitable purposes it so desires, and yet to so form its organization that the real object would be attained of stifling and abolishing competition and enhancing the fortunes of those concerned in the trust.

For example: it has been the honor and pleasure of the writer within the last week, to be called upon for advice in the organization of a legitimate trust. A manufacturer of large wealth and national reputation proposes to devote a great sum of money to the foundation of a beneficial institution, designed to reach the masses, and to exercise an enlightening and elevating influence through all futurity. And to this end the fortune contributed by this wealthy gentleman, together with the property and buildings which it is to create, and the revenues which are to be devoted to its support and maintenance, are placed in the hands of a trust; the trust to be perpetual, and the provisions being complete for the appointment of the trustees, who are to succeed those originally designated as they may die or retire from their position. No one will criticise such a trust as this. Universal admiration will be awarded to such a design for the benefit of the common people. This is a legitimate trust—legitimate, because its purpose is for the public benefit, and because its form of organization is such that no illegitimate object can be attained under the cloud and cover of that legitimate purpose.

But let us suppose, for the sake of the argument, that this manufacturer, under the pretext of the legitimate purpose, had organized a trust, so as to include within its control not only his own great manufacturing establishments, but all the competitors in the line of industry in which he is engaged. It would be the inevitable result of bringing under a single control all the vast interests amounting to hundreds of millions of dollars engaged in that line of industry, that competition in that line of industry would be destroyed. That purpose might not be named. The sole profession of the trust or combination might be the payment of some tens of thousands of dollars revenue to the philanthropic pretext; but the necessary result would be, that while the tens of thousands might be devoted to the trust, to philanthropy, and the public benefit, hundreds of thousands, if not millions, would be gained by the partners of the trust, by the suspension of competition and the exaction of greater profits from the public. The professed purpose may be philanthropy; but when a trust or other combination seeks to bring within a single control all the competitors in any commercial or industrial interest, the real object or purpose can be nothing else than the suspension of competition in favor of those engaged in that industry.

It is also Mr. Dodd's rule in his arguments to demonstrate at length, the undisputed principle that combination and association of different persons engaged in business, is necessary for the development of modern enterprise upon the most efficient scale. The sum total of his contention is summed up in the following quotation: "All modern economists agree that experience has settled the one doubtful problem, that combination of persons, skill and capital is indispensable, and is in the public interest." Of course

they do. And not only do modern economists agree to that effect, but public policy has adopted the principle beyond all dispute and dissent. The law does not limit the association of persons, skill and capital, even to partnerships of the greatest magnitude. It has encouraged and authorized the organization and association of such factors in enterprise under the corporation system. That system affords the widest scope for any concentration of capital, skill and enterprise, that is necessary to carry out any industrial purpose. While the jealousy of the law against large aggregations of capital, may have limited capitalization in some instances, yet the gigantic facts of our commercial history, show that all our legislation permits the formation of corporations to any size that is necessary to carry on commercial operations or manufacturing industries upon the largest and most efficient scale. Whether it is the building of a railroad with a capital of \$50,000,000; of a steel manufacturing concern with a capital of \$5,000,000 or \$10,000,000; of a petroleum refinery with a capital of \$1,000,000 to \$3,000,000; or in any other industry, the policy of American law has been

to permit the association and concentration of capital necessary to the most successful prosecution of all industries under the corporation system. The reason why the law permits these combinations and associations of capital, plainly appears in the allegations which Mr. Dodd made, both in his most recent article and in his pamphlet on combinations of two years ago, to the effect that these legitimate organizations, as sanctioned and authorized by the law, are, as Mr. Dodd showed himself by a quotation from a decision of a high court in his previous pamphlet, "a common means in the ordinary course of human affairs, which stimulates to competition and enables men to engage in undertakings too weighty for an individual."

The purpose of Mr. Dodd in his prolonged presentation of the truism, that legitimate association and combination increases competition and is therefore beneficial to the public, is to present the peculiar form of combination of which he is the advocate as having that purpose. The definite allegation to this effect is furnished in his pamphlet published in 1888, together with a partial recognition of the distinction between legitimate and illegitimate combinations in the following words: "The use and legitimate effect of industrial combinations, is to furnish the public a larger supply of commodities at a smaller price. The illegal effect and purpose of such combinations, is to furnish the public with a smaller supply with intent to unduly increase the price." With this confession of the distinction between legitimate and illegitimate combinations, Mr. Dodd goes on to claim that the trust which he represents belongs to the legitimate class. He makes this allegation upon a large scale with regard to his own combination, the Standard Oil Trust; and he makes a similar assertion with regard to the combination system in

general; not so definitely, perhaps, but sufficiently to make it fair to use the following quotation of his own language as expressive of his statement of the purposes and methods of trusts. "When the world is the market, the business must be of equal magnitude; associated capital on a corresponding scale is required." From which it is fair to infer that Mr. Dodd means to assert that the purpose of trusts is the association of capital upon the largest scale, for the means of carrying on world-wide enterprises in the most efficient manner. This is the leading and most definite point in Mr. Dodd's defense of the trust system as a whole. With regard to his especial trust, he alleges a large number of beneficial results from the corporation, which calls for future examination; but with regard to combination as a means of bringing the largest capital into business enterprises, it is worth while to point out two points in which it utterly fails.

In the first place,

it is not true that the

indefinite heaping up of immense masses of

capital necessarily produces economic efficiency. Up to certain points, varying with each especial industry, capital is required;

and in many cases it is required on a large scale. But beyond certain points the employment of vast bulks of capital concentrated into establishments too great for supervision may be a disadvantage rather than an advantage. A mill can hardly be built so as to make steel rails economically for less than \$600,000; and beyond that point larger capital may be profitably and successfully employed in the industry. I know of an establishment of this sort which commenced operations fifteen years ago on a paid-up capital of \$600,000. It commenced competition against rivals commanding five and ten millions of capital. According to the trust logic the superior capital of its rivals should have pushed it out of business, but the fact is that its career has been one of uninterrupted prosperity. There have been abundant cases of refineries, and companies engaged in the transportation of petroleum by pipe lines, with less than a half million dollars of capital which, so long as they could obtain anything like equal terms with the Standard in the matter of railroad transportation, have enjoyed an unalloyed period of profit. One such corporation is now being dissolved, which, under the operation of the interstate commerce law, was able to secure such a prosperous business in competition with the Standard's ninety millions of alleged capital, that the great combination, in pursuit of its policy to suppress competition, was forced to buy up the concern at a material appreciation over its original investment.

The other weak part of this argument with regard to the superior and magnificent scale of capital attained under the trust system is the fact that the trust device does not increase the capital engaged in business by a dollar. The material and vital features of the trust device is to place all the manufacturing establishments, or competitive mercantile concerns, under the control of a single head. This does not create new capital. The capital is already there in the form of factories, works of any kind, or whatever the property may be, which is placed in the control of the trust. The list of corporations and firms comprised within the Standard Oil trust shows beyond dispute that every item of capital brought under the control of that trust already existed in the business. The sole purpose of the trust was to combine that capital under a single control and, in carrying out that purpose, it is pertinent to know that the utter falsity of this contention is shown by the fact that the Standard Oil trust, like its imitators, actually reduced the capital engaged in the business by condemning a portion of the works under control to idleness, and even tearing up and destroying establishments intended to engage in competition in that business.

Beyond this, with regard to the claim that trusts afford a superior method for organizing capital with a view to the most efficient discharge of business enterprises, its utter falsity is shown by the fact that it actually

does not produce the highest economic efficiency, but may furnish examples of over-loading enterprise with unwieldy and excessive capital.

3. The trusts do not increase the capital engaged in any enterprise. They only combine the capital already embarked by individual and corporation association in the industries they control, and they often by the policy of leaving works idle and lessening production actually decrease the capital engaged in the business.

4. The alleged advantage of the trust

system as a means for associating capital in enterprise is shown to be entirely imaginary

by its lack of legal protection and by the extra-ordinary facilities which the system has

already displayed for plundering the common shareholders, and for wasting the trust funds in speculation and manipulation.

The leading plea, therefore, of the advan-

tage secured by the concentration of great capital under the trusts is a deliberate falsification of the issue. It is justified neither by the character, methods nor results of the trusts, and its repeated production is only valuable as an indication of the desire of the trust advocates to conceal the real purpose of their combinations.

THE joint resolution approved March 17, 1864, authorized the Secretary of the Treasury "to sell any gold in the Treasury not necessary for the payment of interest on the public debt." This is positive proof that gold at that time was considered a commodity like pork, cotton, or wheat. It was actually put up at auction, and sold to the highest bidder, just as a farmer would sell a mule, or a yoke of steers. Aside from recognizing a principle which is now denied, the Government committed one of those outrages upon its own people that must some day return to torment it. From June 1, 1867, to September 30, 1876, the Government sold \$522,000,000 of gold. After tak-

ing gold enough from the people through customs duties on imports to meet all its coin obligations it sold on the market as a surplus the above-named amount. The resumption act (so-called) passed January 14, 1875, and yet the records show that over \$40,000,000 of gold was sold after the passage of that act. After this, in compliance with that very act, the Government actually sold bonds at a high rate of interest to purchase back the gold it had disposed of. This is another sample of the financial jugglery from which the people are suffering. The people were compelled to buy gold from the bankers to pay duties to the Government, and the Government auctioned off this same gold to the banker that would pay the highest price for it, in order that he might sell it back to the people and they return it again to the Government. This was all the mission hard money, gold and silver, performed during the war. After the danger was over it came out of its hiding to dominate or ruin. As Garfield said, "the people would remember the bankers and capitalists of Wall street as the Germans remembered the robbers of the river Rhine, who never came out from their strongholds but to plunder and rob them."

APPLIED SCIENCE

In Agricultural and Rural Economy.

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

ISOLATION OF THE SICK.

In all cases of communicable disease the sick person should be, as far as possible, kept apart from those liable to contract the disorder. Two things there are very essential to a sick person; they are quiet rest, and pure air. Neither of these can be had in a crowded apartment. When any member of a household is seized with a contagious sickness, say one of a family of children with scarlet fever or diphtheria, the best room for the sick child should be selected and at once fitted for its occupancy. All the furniture not likely to be needed should be taken out of the room. The bed should be clean sheeted, the doors and windows opened, and a fire made so as to rapidly flush the room with pure, fresh air, and flood it with light. Let a sheet be dipped in a solution of carbolic acid of one to ten and hung up inside the door; or better, if due care is taken, a solution of corrosive sublimate of about 40 grains to a gallon, as this does not emit a disagreeable odor. A slop pail half full of a solution of chloride of lime, or of the corrosive sublimate, should be provided, and all the chamber vessels should likewise contain a portion of disinfecting solution. There should be kept also a dish or other vessel of disinfecting solution for spoons, etc. This last may be of carbolic acid; it must not be of corrosive sublimate or chloride of any sort. The best thing for this purpose is hydronaphthol. In disinfecting power this substance is little inferior to corrosive sublimate; it has the inestimable advantages of being non-poisonous, non-irritant, non-corrosive to metallic substances, and without smell. It ought to come to be the universal disinfectant for all purposes when it becomes cheap enough. The room being thus prepared and disinfectants provided, the sick person should be put to bed and provision made for keeping the room quiet, cheerful, and as well-supplied with fresh air as it can be without admitting cold draughts directly to the bed. Such a preparation will largely increase the chances for recovery of the sick person, and at the same time minimize the risk of infecting others. Nor is this all; the management of the sick room above suggested will very greatly diminish the virulence of the contagion, and render the attack mild and manageable, that would otherwise have been malignant and fatal. Three times during one epidemic did the writer limit the attacks of scarlet fever to the first member of the family seized. In one case there was a family of eleven children all liable, yet only one case occurred, and that mild. In another case the writer was called to a family of nine children, one just dead of malignant scarlet fever, a second just seized. Prompt and energetic measures were taken to isolate, disinfect, and speedily bury the dead, and further, to isolate all the well children in a wing of the house, and to remove the sick child from the chamber of death to a remote upper room prepared as described. That child recovered, and there was no other case. It may be here remarked that when two or more children are sick in one room and one is evidently dying, the other should be removed at once to another room as quietly as it can be done and as quickly. To a child unfamiliar with death the sight of a brother or sister dying is terrible in the extreme,

and the shock may be easily so great as to cause another to die that might have recovered. Attention to what is here suggested is often of more value than any medical prescription. The sick room being prepared as above, no one should go in there without a definite purpose in view. Some one should be with the sick all the time, but generally only one at a time, and the going in and out should be the very least possible. Whenever any secretion from the person is received into the proper vessel partially charged as directed with disinfectant, additional disinfectant should immediately be added, the vessel covered and removed from the room. Whenever medicine is given the spoon or glass should be immediately immersed in disinfecting solution for ten minutes, and then be taken out and put into boiling water before being used again. When in spite of precautions other cases occur, let them be isolated like the first case, and as the cases multiply those convalescing may be brought together in the same room, when all precautions recommended must be still rigidly enforced. If any die, isolate the dead, disinfect rigidly and bury promptly. The best disinfectant is fire. Let all infected articles of no value be put into the fire and burned up without delay. In infective diseases these precautions will save ten lives where any medicine saves one without them, and where they are put into practice the battle is half over before medication begins. It is not recommended that sanitary precautions should replace medical skill, but beyond all doubt they will prove its most efficient adjunct. The writer is no medical nihilist, but practiced that profession thirty years with constantly increasing confidence in its resources in the management of perilous disease.

THE NUTRITION OF PLANTS.

In preceding articles it has been shown that plants obtain that portion of their food which comes from the soil by laying their feeding roots alongside of the particles of food as it exists in the soil and separating it from its combinations with, or its adherence to, the general mass of the soil, by root action, in a manner analogous to the separation of carbon from the carbonic acid of the air by leaf action. Attention is here invited to the power of feeding roots to select the substances which they take up even when growing in aqueous solution. What would become of us if plants took up arsenic, for example, seeing that we have applied many tons of this deadly mineral to potatoes, cabbage and other vegetables of the kitchen-garden. Researches undertaken in the interest of medical jurisprudence have shown that this arsenic is retained by the soil within reach of the roots of plants, whereas they fail to take it up though necessarily in contact with it. Reflect that if it were not thus retained by the soil drinking water would be poisoned no less than the potatoes and cabbage grown upon the arsenicated soils. We sometimes get clearer views of what is not true by reflecting what must happen if it were true. How would it be, for instance, if we could not drink until every drop of water was first analyzed; nor eat a potato until we had first demonstrated that it had not imbibed arsenic or some other deadly mineral from the soil? If the Maker of heaven and earth had left the power to plants to imbibe all sorts of mineral substances the earth could not have become populous with animal nor with human life. Is not this an axiomatic truth? In the very nature of things plants must possess the power to re-

ject substances poisonous to animals, or there could be no edible vegetation, and hence no animal life. Experiment has shown that when plants are fed with solutions of their food, containing also other mineral matter, they absorb from solutions only the minutest traces of substances which they can not utilize. It is not a question of solubility or insolubility, but of the utility of the substance to the organism of the plant and its safety or utility to man, placed at the summit of creation. The whole plan of the universe is subordinated to man's position there.

Plants having the power to multiply their feeding roots in portions of the soil where their food is concentrated, it follows that by means of this concentration of manure we can largely locate at will the development of the feeding roots, and this it is apparent is a very important consideration in practical agriculture. The question is not merely deep ploughing or shallow ploughing, but also deep feeding or shallow feeding of the crop. In a given case shall we apply the alimentary substances to the surface, incorporate them with the superficial layers, or bury them deeply with the plough? In the routine of farm practice a more important question can not arise. The answer will vary to some extent with the crop, to a greater extent with the soil. Some plants have roots predisposed to penetrate deeply. Shall we encourage them by deep culture and deep feeding to go down still deeper, or shall we by shallow tilling and shallow feeding encourage them to develop nearer the surface? Scientific agriculture is not in a position to make a definite answer. Too little, far too little, is known of the natural radication of crops when placed under conditions most favorable to their growth. Very little is known as to the relations of heat to the nutrition of plants. At about 32° F. vegetative action ceases. At temperatures above 90° F. it is much retarded, and nearly suspended at about 140° F. Between these limits the optimum is placed, and probably other conditions being normal, it will be found not far from 80° F. Probably the optimum varies with the plant within somewhat narrow limits. It is well known that the variations of temperature experienced by the soil are less than those of the superincumbent air. What is the most desirable relative temperature of air and soil for any special crop, or what is the best average for crops in general, are points which have not been investigated. In fact, there are no thermometers for taking soil temperatures which are convenient or reliable for depths greater than a few inches. What farmer is able to say whether the capacity of his soil for heat is greater or less than the average; greater or less than the optimum for his crops? The question of deep or shallow feeding of crops is greatly affected by these questions of relative temperature of soil at different depths and the superincumbent atmosphere. It is to be regretted that agricultural science has done nothing with them. As indicating to what extent we may control the development of the roots by the position of the fertilizer (*i. e.*, deep or shallow), the experiments of Nobbe quoted by S. W. Johnson, are here briefly given: "Fertilizers placed in horizontal layers about one inch deep, roots at that depth formed a mat of densest fibres; placed in horizontal layers half the depth of vessel, just there root system was spheroidally expanded; placed in vertical layers on external walls, the external ramifications immensely developed; placed in a vertical position in the center of the mass of soil, the central roots immensely developed; placed in a horizontal layer at

The Sub-Treasury Plan.

The Caucasian, published at Shreveport, La., has an able Farmers' Union Department, edited by J. A. Tetts, of Ruston, La., with an able corps of associates. The vigor which characterizes all Brother Tetts' work is shown in his newspaper effort. Following is his leading article:

While there are thousands of our working people who will sneer at the plan proposed for the relief of the working man from monied oppression, claiming that it is absurd, and while those who are owners of much money will oppose it as an injury to their business, it is based upon justice and would do more to bring prosperity to our country than ten successive good crops. I had hoped that through co-operation the workmen could make exchanges of produce and use certificates of deposit between the different State business agencies as a circulating medium, but the sub-treasury plan is more practical, for from the beginning the confidence in the certificates would be perfect, and all the transactions between the individuals holding them would be in the legal currency of the government, and all the business of the country, on a solvent basis, could find ready cash for its necessities. Most writers claim that capital is friendly to labor, but this must be qualified, for capital is only friendly to labor when it assists labor either in production or distribution, and this assistance must be at a reasonable price for its use.

It is true that some of the defects upon which recruits are rejected are somewhat trivial, and would not by any means be admitted as ground for exemption from military service in time of war. But the fact which remains is, that two young men out of every three have some pronounced physical defect. That the proportion of young women physically defective is greater still there can be no room for doubt. Physical training of the young might remove many of these defects, and prevent the development of others, but in order to be effectual it should be regulated and adapted to individuals by skilled medical advice. Under rational and honest advice the intermarriage between physically defective families and individuals would be vastly lessened. The physical training so eloquently advocated by our able and distinguished friend is good in itself, yet it can not nullify the fatal results of hereditary defects.

INOCULATION FOR SWINE PLAGUE.

Dr. Billings, of the State University of Nebraska, believes that he has succeeded with protective inoculations against "swine plague," whether the so styled hog cholera or pleuro-pneumonia, is not stated. If the possibility of protecting by inoculation is proven its advisability remains an open question. "Hereafter, it is said, all pigs on the University farm will be inoculated and the land given a chance to become disinfected;" and further it is said that it takes three years exemption from sick swine to make land safe. Now, then, how is the land to get safe when sick swine, the inoculated namely, are kept always on the land? It does not seem reasonable. If all swine are inoculated we must do so always, for all land will be inoculated, and how are we going to get in those three years exemption to get any land safe? Has the Nebraska State University climbed its pole and pulled the pole up after it? Let us hear from Dr. Salmon about this?

This capital that is sunk into the robbing department has been favored by the legislative branch of our government, both by making the department and by increasing the difficulty of satisfying its demands. The sinking of so much of the currency into bonds has made it so much harder for the robber to comply with the demands of the robber that we are approaching the time when all the products of labor will not satisfy the demand.

When that new contract was offered the bondholder by which he could exchange his currency for coin bonds, those who acted for the people as representatives sold the welfare of the working classes for a "mess of pottage."

Those who bargained on the part of the capitalists knew they were bargaining for the liberties of the people, for no man who can not pay his financial obligations is free. This debt that the people have to pay, must be paid in the product of their labor at a depreciated valuation, which makes the debt five times as hard to pay. When the debt was created every working man in the United States (and those who came after) had a certain part of it to pay. At the time it was created every man could produce a certain surplus, and out of this his part could be paid. But by the conspiracy the products of labor were depreciated, until it now takes 4 bushels of wheat, 5 pounds of pork, and 3 pounds of cotton to pay as much of that part of the debt as 1 pound of each would have done at the close of the war. By this means what was a debt of \$1 to the producer has been increased to a debt of \$5. And to the creditor where he was entitled to compensation of \$1, by the manipulations of the conspirators, he demands wealth to the value of what was then \$5. Money is not wealth itself, but is its measure, and is just like any other measure; if you, by manipulation, increase its capacity it will take more of the product to satisfy its demand.

The sub-treasury plan is based upon justice, for every dollar issued will be based upon some tangible substance, while the bank notes issued to bankers are based directly on bonds, which themselves would not be worth the paper they are printed on if it were not for the tangible wealth that is represented by taxation. This plan would enable men to pay their taxes much easier and thereby shield, in part, the producer from the robbery by this idle capital. It would enable every industrious man in the country to get a loan when he needed it, and he could dodge the extortions of the usurer.

This might at first appear to be an injury to those whose chief dependence is on the usury for their money, but they would be at no disadvantage for they could easily invest in some productive industry, and join the great throng of those whose all depends on the wealth they create, for the comfort of the world. Every man who had the will could find employment, and there need be no fear of over-production, for there would not be so much limited consumption. As to the justice of the plan there can be no doubt, for the only source of wealth to the nation is its productions through labor. A mine of gold is worthless if it can not be obtained for use. So the wealth of the nation will be limited only by its capacity for development. With plenty of money every avenue will be opened up, and the growth of the nation's wealth will only be reached when the full capacity of its labor is reached.

When the masses understand these things the "sub-treasury idea" will prevail, for it will not only be adopted by the man who digs in the earth, but by the great army who distribute, for when every wheel of industry is set in motion it will tax the ability of the distributing class to its fullest capacity, and many who now stand idly waiting for the slow moving dime will be engaged in catching the swiftly moving dollar.

IN 1763, the English parliament declared all colonial acts for issuing paper money void. Benjamin Franklin wrote a pamphlet in opposition to this act. Among other things, he said, that gold and silver owe their value chiefly to the estimation in which they happen to be among the generality of nations, and the credit given to the opinion that they will continue to be so held. "Any other well-founded credit is as much an equivalent as gold or silver." On all occasions Franklin maintained this position. When exchange with England rose—which was really coin—he contended that exchange (coin) had advanced, and not that paper had depreciated, which was the true theory.

Written for THE ECONOMIST.

The Farmer to His Son.

BY PROFESSOR J. P. STELLE.

Come, tumble out, John, it is four o'clock, sharp,
Get your laboring forces in line.
We have full forty millions of people to feed
Who will slumber this morning till nine.
Well, I know how you feel, for I feel it myself—
Worn and weary from yesterday's toil—
But those slumbering millions will all want to eat,
And their food we must dig from the soil.

Do they pay us, you ask? Well, a pittance they pay,
Just to keep us from starving—no more;
Did they pay us in full for the food they devour?
"Twould be they who'd be rising at four;
And the farmer might rest on his pillows of down
Till the vespers of morning should call;
But it isn't that way—forty millions at rest—
Tumble out; we are feeding them all.

Then why do we do it, you're asking? Oh, well,
That is something you'd not understand;
To the lands of the serf they resort with their gold
When we spurn their unrighteous demand;
And the laws of our country have little to say
In protection of labor, so we

Are as virtually serf, call it else what you may,
As the serfs toiling over the sea.

But the land of the free and the home of the brave!
Yes, I know you have heard it that way;
But where is the freedom of him who must toil,

And receive but a pittance of pay?

And must it be always the same, you demand?

That depends on the duties we shirk,

We, the people who labor, I mean—but its four;

Tumble out, let us get to our work.

MOBILE, ALA.

The Coles County Plan.

BY HARRY HINTON.

The Washington Post, as representing ex-President Cleveland and Chief Justice Fuller, expresses but half an idea. If Cleveland and Fuller father the idea "that it is rather the duty of the people to support the Government than the province of the Government to support the people," they have elucidated but the half of an idea. The relation of Government to the people is reciprocal; and the one is no more bound to support the other than the other is under obligations to support the former. This support may be different in kind, but it must be equal in quantity.

This onesided idea of the obligations of the people to the Government is the logic of tyrants, and the excuse for all the race for public plunder and the gobbling up of the spoils. The Post further says: "If Uncle Sam is rich enough to buy us all a farm, as the old song has it, he is certainly rich enough to buy all the farms in at mortgage sale, which would naturally follow fast upon the Coles County plan." Take notice if the Coles County farmers can not raise the mortgage when paying only 2 per cent, how in the name of eternal vengeance can they meet their obligations paying 8 to 10 per cent? Answer this, Mr. Post! Whose fault is it, Mr. Post, that these mortgages are so numerous and so grinding? It has been established beyond the reach of successful contradiction that the Government itself is at fault in part on account of its favoritism to the moneyed interest in its financial legislation. Now, if this be partly true, the Government has wronged this people and stands in duty bound to repair this wrong so far as practicable. Herein comes the province of the Government to support this people in the manner aforesaid. There is no doubt the Government expects this people to do their share in its support, and if so, this support should be reciprocal and mutual. The fact that the financial chicanery, aided and abetted by Government, renders it under double and dutiful obligation to this farming interest in repairing all wrongs, does not stop the obligations to support this interest, provided our money matters had been handled in a manner to operate impartially on all

industries alike. We do not rest our argument on this alone. When the manufacturing interest called on the Government for help, the Government granted that support and the burden of that support fell mainly on rural occupations. When the commercial interests calls for help, who so ready as Government to throw the doors of the treasury open, and let loose millions to ease the pressure? When the capitalist wants his securities enhanced in value, who so ready as Government to double the purchasing power of the dollar? But the farmer comes for his share of reciprocal Government support, and his propositions are absurd and contemptuous. Now I will put a few questions to you, Mr. Post. Who are they who first created and formed this Government? Who are they who have fought the battles of this country? Who are they who pay mainly the taxes to support this Government? Who are they who create mainly the materials for commerce?

Only a casual review of these questions will immediately convince you that the agriculturist is the pillar and foundation of all we prize in the name of freedom and of all we boast in the name of grandeur and wealth. Then why should it be thought an idle scheme when this farming interest is in jeopardy for this interest to approach the creature of its own hands and ask for that reciprocal support which it has so lavishly awarded other industries and professions? "Shame, where is thy blush?" It would have been very commendable in a paper which was not issued for a particular interest to have advanced a substitute for the Coles county plan, or if that plan was crude and objectionable, to have at least admitted the justice of the claim and urged Congress to have put its wits to work to devise some scheme of relief. These sentiments, I opine, the Washington Post never entertained.

All we ask of it now is not to retract the words it has already uttered, but to admit the justice of the claim. All we ask of our Government now is not to repair the injuries it has already done to the financial interest of the farmer, but to lend him that reciprocal support in the proportion he supports the Government, a precedent for which has already been made in a multitude of cases. Nor do we wish to place the Government under any straining obligations to do this, nor do we rest our claim on the duty of the Government which it owes this people, but we will go further and try to establish the fact that it is the interest of the United States to do it.

Has the cotton bagging proved itself a sufficient covering for cotton? Can it be manufactured in quantity and at price to meet the demands, and will the proper tare be allowed?

As I do not write to multiply words, but to accomplish ends, I will say, that in spite of the prejudice against it, cotton bagging has during the past year proved beyond a doubt that it is amply good enough. Unprejudiced parties both at home and abroad have attested that there has been no loss in weight from its use, either for home consumption or in exporting, and the fact that on account of its scarcity, the same bagging has been used over again two and even three times during the past season would attest its strength, durability and efficiency, provided it is made as good as the best we have had this last season, and there is no reason why we can not have it even better.

As to the second question I confess I have been disappointed in the circular issued by Chairman Northern. It reads like a paper a year old; and if it is the result of the best and latest effort of the bagging committee to make reasonable, fair, and commercial terms with manufacturers the outlook is a gloomy one for cotton bagging.

What I mean is this: If after one years trial, a year in which farmers paid 13 cents per yard for cotton bagging, and bought every yard they could get, there can not be found manufacturers who will risk making the cotton bagging unless before even commencing their work they receive from the various lodges orders for their entire out-

put with cash or security to cover these orders, then the cotton spinners of America are an infinitely harder set of masters than the jute men, and it would have been undoubtedly better for our delegates to have met the concessions of our half-whipped jute enemies than to have submitted to the exactions of our quasi cotton friends. Their requirements in this line for even the first year were hard enough, and greatly impeded the use of cotton covering, but to repeat them for another year is to insult the intelligence and weary the patience of their patrons.

Lastly, we come to the matter of tare. We are compelled to assume that our committee used all means in their power to secure a just settlement of this matter this past season, but the entire failure of these efforts caused terrible loss, and that to the truest friends of cotton bagging, a loss that no consideration should require them to take again.

It is all very well to talk of time working the problem out, but unless there is something more than a vague expectation that the tare matter will be arranged for another season, it is folly to urge the use of light-weight bagging. I would not press this point if the matter was not of simple solution, but it really is, and the solution is to require of the various Southern cotton exchanges that they adopt net weights for next season. This can and should be done by the jute committee, and the fact that all of these Southern exchanges are composed largely of factors who represent or claim to represent the farmers, should make their adoption, if properly urged, a certainty. But the time is now!

In a few months the foreign buyers, forming a part of these exchanges, will have gone away for the summer, and hence a plea for further delay will arise, a plea to await their return next fall, a plea fatal to cotton bagging.

If this most important matter is to be pushed it must be done at once, and the work is the work of our committees. Secure for us, gentlemen, a decent understanding with the manufacturers and an honest system of weighing, and rest assured we will stand by you to the last man.

JOHN STUART MILL says: "Capital, by persons wholly unused to reflect on the subject, is supposed to be synonymous with money. To expose this misapprehension, would be to repeat what has been said in the introductory chapter. Money is no more synonymous with capital than is with wealth. Money cannot in itself perform any part of the office of capital, since it can afford no assistance to production. To do this, it must be exchanged for other things; and anything, which, is susceptible of being exchanged, for other things, is capable of contributing to production in the same degree. What capital does for production, is to afford the shelter, protection, tools and materials which the work requires, and to feed and otherwise maintain the laborers during the process. These are the services which present labor requires from past, and from the produce of past, labor. Whatever things are destined for this use—destined to supply productive labor with those various prerequisites—are capital."

Hutchinson (Kan.) Times gives us this:

"The cheek of a Government mule is nothing in comparison with some of the foreign loan companies that have been doing business in this country. In foreclosing their mortgages they assume to dictate to both the district clerk and sheriff as to where their summons and sheriff's sales shall be published."—Anthony Republican.

Guess the same companies are doing business in Reno county, at least they pursue the same tactics.

OFFICIAL.

PRESIDENT L. L. POLK and Secretary J. H. TURNER, of the National Farmers Alliance and Industrial Union, have secured offices at No. 916 E street northwest, where their mail should be addressed. Papers friendly to the order will please note this change of address.

OFFICE PRES. OF THE N. F. A. AND I. U., WASHINGTON, D. C., January 16, 1890.

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

Texas, 22d February to 15th March.

Arkansas, 17th March to 31st March.

Kentucky, 2d April to 16th April.

Indiana, 18th April to 2d May.

Wisconsin, 6th May to 20th May.

Dakota, 23d May to 10th June.

Nebraska, 12th June to 24th June.

Colorado, 26th June to 10th July.

New Mexico, 12th July to 19th July.

Indian Territory, 22d July to 30th July.

Missouri, 2d August to 16th August.

The President of the N. F. A. and I. U. in each of the above-named States, is respectfully requested to arrange and publish appointments in his State for the Lecturer, in conformity with the dates above named, so as to enable him to deliver an address every other day during the time allotted to his State, and to forward the list of such appointments to this office. As it is impracticable for the Lecturer to make an extended canvass of any one State, it is hoped that such points may be selected, and such publicity given, as will secure the largest attendance of the members. Especially is it desirable and important that State, county, and subordinate officers and lecturers be present at his lectures.

L. L. POLK,
Pres. N. F. A. and I. U.

AT an early day the Ritual, containing form for burial service, will be published and issued from this office. Also, the Constitution and Statutory Laws of the Order, with simple and practical rules of parliamentary usage.

These books will be printed in neat and durable style and will each bear the imprint of the seal of the National Order. Rituals and National Constitutions without such imprint will not be recognized as official.

The following recommendation was attached to the above resolution, signed by the members whose names are printed below:

We, the undersigned members take special pleasure in commanding this book to all members desiring information regarding the History of the Wheel and Alliance and the great Impending Revolution.

Evan Jones, President Farmers and Lab. Union. Isaac McCracken, Pres. National Wheel and Vice-Pres. Farmers and Laborers Union.

C. W. Macune, Pres. Farmers National Alliance and editor NATIONAL ECONOMIST.

B. H. Clover, President Kansas State Alliance.

S. B. Erwin, President Kentucky State Wheel.

J. E. Quicksall, Pres. Kentucky State Alliance.

H. W. Hickman, President Missouri F. and L. U.

R. M. Humphrey, Supt. Col'd National Alliance.

J. H. McDowell, Sec. Tennessee State Alliance.

R. W. Tucker, Lect. Tennessee State Union.

J. F. Tillman, Mem. Nat. Exec. Com. F. & I. U.

A. E. Gardner, Sec. Nat. Farm. and Lab. Union.

H. C. Brown, Sec. Kentucky State Wheel.

Geo. A. Gowen, B. A. Tennessee State Union.

Linn Tanner, Treas. N. F. and L. U.

J. A. Teits, Mem. Nat. Exec. Com. F. and L. U.

R. A. Dowdy, Editor Arkansas Economist.

E. M. Nolen, Ch. Ex. Board Tenn. State Union.

Ben. Terrell, Nat. Lecturer F. A. and I. U.

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The following resolution endorsing the "History of the Wheel and Alliance and The Impending Revolution" was passed by the national body which met at St. Louis, December 3d, 1889:

WHEREAS, Brother W. S. Morgan has written a History of the Wheel and Alliance, and

WHEREAS, Said history has been endorsed by many of the leading and most eminent members of the order, and

WHEREAS, This convention recognizes the fact that the circulation of the book as an educator will contribute much to the advancement of the great principles of our order, therefore

Be it resolved, That this convention endorses the book as a reliable history of the order, and a true exponent of its principles and we recommend it to all members of the order.

The following recommendation was attached to the above resolution, signed by the members whose names are printed below:

We, the undersigned members take special pleasure in commanding this book to all members desiring information regarding the History of the Wheel and Alliance and the great Impending Revolution.

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Ben. Terrell, Nat. Lecturer F. A. and I. U.

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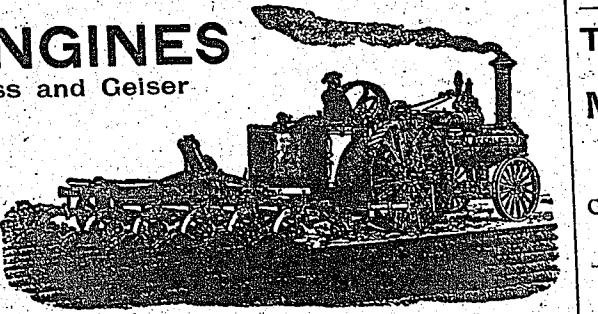
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The National Economist

OFFICIAL ORGAN OF THE NATIONAL FARMERS ALLIANCE AND INDUSTRIAL UNION.

PUBLISHED
WEEKLY.

DEVOTED TO SOCIAL, FINANCIAL AND POLITICAL ECONOMY.

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FIVE CENTS

No. 24.

WASHINGTON, D. C., MARCH 1, 1890.

THE NEW PRINCIPLE.

The National Farmers Alliance and Industrial Union, when it announced to the world its sub-treasury plan, took one of the most important steps in the development of modern economic knowledge. Political economy has made very little progress since the days of Adam Smith; the same principles then enunciated are still taught with much the same manner of application. During the whole time it has been taught and universally admitted, and always will be taught and admitted, that fluctuation in price is the only thing necessary to enable the exploiting class to appropriate all the results of productive industry except a bare subsistence to the laborer. This must not be lost sight of; it is the key to a proper conception of the causes of the depressed condition of agriculture in America to-day. Fluctuation in price makes everything that the producer buys for consumption comparatively high and everything he has to sell comparatively low. Fluctuation in price acts upon the producer like the double-action force-pump upon the cistern; it rapidly depletes both on the up stroke and the down stroke. As a proof of the deleterious effects of fluctuation in prices one has only to reflect what the effect of stability in price would be. All kinds of future gambling and all forms of speculation would instantly cease, and the middle-man, having been forced to give up speculation, would have no use for a secret cost mark; he would do business upon known and legitimate margins based on the service performed. Another principle of political economy fully as well established is that general prices rise or fall in exact accord with an increase or diminution of the volume of the circulating medium of the country, hence the unavoidable conclusion always has been, and always will be, that general prices always fall when the volume of money in the country is diminished, and vice versa. The volume of the circulating medium may be modified in four different ways; that is, there are two ways to diminish the volume and two ways to increase it. One way to diminish is by actually reducing its amount by extracting from it; this may be done by destroying, hoarding, exporting, or in any other way that takes it from circulation. The other way of reducing the volume is effected by not interfering with the actual amount of the circulating medium, but increasing the demand for it and its uses; this is easily and effectively done by additions to the exchangeable wealth of the country, especially additions of such products as must be speedily exchanged and consumed. Thus an increased demand for its use would act as a reduction of volume. An illustration of this form is every year shown in the sale of the agricultural crop. The volume of money in this country in actual circulation for all purposes throughout the year is less than one and one-half billions of dollars, and this supplies a stable demand for its use by manufacturers, traders, tradesmen, artisans, merchants, middlemen, and all others whose demand for exchangeable value is about the same during each of the different months of the year, but agriculture during the months of September, October, and November dumps practically all of her year's products, amounting to about seven billions of dollars, on the market. This is an actual tangible addition to the wealth of the nation, and is of a character that its demands upon the circulating medium are imperative in spite of the fact that the circulating medium is in the same demand by other classes that it has been throughout the year. The value of this agricultural product is equal to five times the gross volume of the circulating medium, and therefore this great increase in wealth and consequent demand for the use of the circulating medium acts as a practical reduction in volume. As is well known, this always depresses prices.

The two modifications of the volume of the circulating medium by increasing it, are the opposites of the two ways just described for decreasing the volume. The great but unavoidable fluctuation in the demand for circulating medium produced by the yearly sale of the products of agriculture affect a fixed volume of such medium by making it small during the fall season, and large during the spring when such products have been largely consumed, thereby producing low prices when the farmer sells his products, and prices gradually ranging higher throughout the year, during which he is a purchaser of commodities for consumption.

The National Farmers Alliance and Industrial Union adopted the sub-treasury plan and presented it to the country as a true remedy for this condition. A bill embodying the principles set forth in said plan has been prepared by its legislative committee, and this bill has been introduced in the House of Representatives by Hon. John A. Pickler, of S. Dakota, and is therefore before the country as legislation probable. (A copy of this bill will be found in another column.) The gist of the new feature proposed by the measure is that it provides for a flexible volume of money

in addition to the usual and necessary stable volume, and that such flexible volume shall correspond exactly to the necessity for fluctuation caused by the dumping of the agricultural product in the lap of the nation during the fall, and as such product is consumed such volume contracts to correspond. This is the new principle in political economy that all modern economists must sooner or later admit to be correct, and leads to the following maxims:

A STABLE VOLUME WITH A VARIABLE DEMAND WILL CAUSE INSTABILITY OF PRICE.

A FLEXIBLE VOLUME TO CORRESPOND WITH THE VARIABILITY OF DEMAND THROUGHOUT THE YEAR WILL PRODUCE STABILITY OF PRICE.

The recognition and application of this principle is of vital importance to the productive industries of the country, because a simple increase in the volume to any extent will not prove an adequate remedy. The volume may be increased to fifty, or a hundred, or five hundred dollars per capita; it must stop somewhere or excessive inflation would soon destroy all values, and when it does stop, if the volume be inflexible it would only be a question of time when the present depressed condition would be greatly intensified on account of the greater disparity between the fortunes of the rich and the misfortunes of the poor. If the volume were five hundred dollars per capita, and general prices were raised in proportion, as they certainly would be, the gross product of agriculture would bear the same ratio to the gross products of the country, and therefore stand in the same ratio to the volume of money, and produce as great a comparative scarcity in the fall and as great a comparative superabundance in the spring, and consequently produce low prices when the product of agriculture was offered for sale in the fall, and high prices when the agriculturists purchase commodities with which to make their crops in the spring. There is no ready way to avoid the conclusion that inflexibility in volume would enable the middle-man to appropriate all the surplus products of the producer just as rapidly with a large volume as with a small one.

The conditions which make the application of this principle necessary have been developed by material progress, and modern methods for the transportation of commodities and the transmission of intelligence. Until recent times it took the agriculturist almost the entire year to prepare his crop for market and market it, and consequently its sale was distributed more evenly through-